

Minnesota Attorney General: Administrative Rules Proceedings

Copyright Notice:

This material may be protected by copyright law (U.S. Code, Title 17). Researchers are liable for any infringement. For more information, visit www.mnhs.org/copyright.

Version 3
August 20, 2018

213

MINNESOTA STATE REGULATIONS

Notice of filing by the Commissioner of Administration

We have received on this date, stamped and filed 2 copies of Rules and Regulations pertaining to

the Department of Public Welfare
(Agency or Board)

Regulation No. DPW Rule 52

Subject: Title (19) XIX Medical assistance Program
Welfare per Diem Rates for ICF/MR Providers

Department of Administration
Publication, Central Services Division
Documents Section
140 Centennial Office Building
St. Paul, Minnesota 55155
Telephone: (612) 296-2874

FILED
RICHARD L. BRUBACHER
Commissioner of Administration

APR 1 1976

BY Eda Staudenmaier 4-30pm
AUTH. SIGNATURE

Stamped and filed with the Secretary of State apnl 1, 1976 3:45 pm

Rev. 9-72

213

Barbara D. Gill
Special Assistant
Attorney General
Welfare

April 5, 1976

- DPW Rule 52

REGULATIONS

OF THE

MINNESOTA DEPARTMENT OF PUBLIC WELFARE

FOR DETERMINING

WELFARE PER DIEM RATES FOR ICF/MR PROVIDERS

UNDER THE

TITLE XIX MEDICAL ASSISTANCE PROGRAM

DPW RULE 52

Revised January 1, 1976

CONTENTS OF REGULATIONS

Page

I. APPLICABILITY AND PURPOSE

A. Authority..... 3
B. Objectives..... 3

II. RATE DETERMINATION

A. Method of calculating welfare per diem rate..... 4
B. Effective date, notifications and adjustments..... 5
C. Special rate setting procedures.... 6
D. Rate limitations..... 7
E. Appeal procedures..... 8

III. REPORTS

A. General reporting requirements and submission procedures..... 9
B. Special provisions for multi-home providers and providers involved in other business activities..... 11
C. Definitions..... 12
D. Cost allocation procedures..... 14

IV. REASONABLE COST PRINCIPLES

A. General provisions..... 15
B. General and administration expenses..... 16
C. Depreciation..... 17
D. Leased facilities or equipment..... 22
E. Cost of capital..... 22

V. IMPLEMENTATION PROCEDURES

A. Temporary transition provisions.... 25
B. Exceptions to regular provisions... 25

DFW 52. Regulations for Determining Welfare Per-Diem Rates for ICF/MR Providers Under the Title [illegible] Medical Assistance Progr[illegible].

Because of the complexity of this rule (the number of levels of subheadings), an exception is being made in the style of outlining, and the method used is that employed in outlining in most other contexts and jurisdictions; that is, the order followed here will be Roman numeral, capital letter, Arabic numberal, small letter, Arabic numeral in parentheses, and double small letter.

I. Applicability and Purpose

A. Authority

This regulation is enacted pursuant to the statutory authority vested in the Commissioner of Public Welfare pursuant to Minnesota Statutes, Section 256B.27, to require reports, information, and audits, and, pursuant to Minnesota Statutes, Section 256B.04, Subdivision 2, to promulgate rules, and regulations for carrying out and enforcing the provisions of Minnesota Statutes, Chapter 256B. This regulation is further promulgated pursuant to the procedures set out in Minnesota Statutes, Section 15.0412, of the Minnesota Administrative Procedures Act.

B. Objectives

The procedures embodied herein define a system for the determination of a per-diem welfare rate for all ICF/MR facilities with more than four beds participating in the Medical Assistance and cost-of-care program, except state institutions that are governed by other state laws, that promotes efficiency and economy and treats all providers of ICF/MR care on a uniform basis. ICF/MR facilities are defined as facilities licensed under the provisions of Minnesota Statutes, Section 252.28. ICF/MR facilities that provide care to other than MR residents must comply with these regulations if mentally retarded persons account for more than 50 per cent of the facility population. Procedures have been defined to satisfy the State Plan for Medical Assitance and HEW Program Regulation Guide 19, which prescribe reasonable charge/cost-related rate-setting methods. The rate-setting procedures have also been defined to comply with the state statute that requires that cost differences between individual providers be recognized (Minnesota Statutes, Section 256B.04, Subdivision 2) while at the same time establishing cost limitations to satisfy federal requirements requiring that the welfare rates be consistent with efficiency, economy, and quality of care.

The welfare rate-setting procedures included herein also recognize required residential classification and quality of care as defined by Department of Public Welfare licensing and federal certification standards, establish effective accountability over the disbursement of Medical Assistance appropriations, and provide for a regular review mechanism for rate changes.

While the rate-setting procedures are intended to compensate

the provider for the reasonable costs incurred by prudent management including a return of capital through depreciation and earnings allowance, they are not intended to provide funds for financing working capital needs or purchase of facilities. It is not intended that the regulations provide for reimbursement of actual costs through retroactive settlement.

II. Rate Determination

A. Method of Calculating Welfare Per Diem Rate

1. Historical rate. The method of calculating the ICF/MR provider per-diem rate will be to determine reasonable costs for the most current fiscal year and divide by actual resident days according to reasonable cost provisions of IV and cost reporting regulations contained in III.

2. Incentive factor. In no case will the historical rate so determined under II.A.1. be less than a comparable amount calculated for the previous year minus one-half of the difference. This provision shall not apply for rates for newly established providers under II.C.1.

3. Allowance for known cost changes.

a. Future cost increase or decreases known as of the report filing date must be added to or deducted from the historical rate determined according to II.A.1. and 2. Such adjustment will be restricted to the elements defined in II.A.3.a. (1) through (11) and shall be the annualized cost effect of such cost changes exclusive of any portion of cost change included in the historical rate.

(1) Salary and wage changes to occur during the effective period of the welfare rate:

aa. Future changes according to labor contracts, board resolutions, written policies, or minimum wage laws.

bb. Changes that are in effect as of the end of the fiscal period covered by the historical cost portion of the welfare per diem rate.

(2) Changes in facilities or equipment.

(3) The annualized cost effect of complying with federal, state, or local laws and regulations on increased care or improved facilities.

(4) Taxes - pay-roll and property.

(5) Interest.

(6) Depreciation.

(7) Utilities and insurance.

(8) Food-cost changes based on the average cost for the last three months of the fiscal period covered by the historical cost portion of the welfare per diem rate.

(9) The cost effect of reductions and expansions to program services approved by the Department of Public Welfare.

(10) The cost effect of changes in occupancy levels based on average occupancy for the last three months of the fiscal period covered by the historical cost portion of the welfare per diem rate.

II.A.3.a. (11) Rental payments pursuant to a written lease.

II.A.3.a. (11) ~~Unidentified cost increases equal to five per cent of the per diem cost effect of elements II.A.3.a. (1) and (4) through (10), above.~~

II.A.3.a. (12) Unidentified cost increase equal to one percent of the average historical cost per day for the metropolitan area as indicated in II.D.2.

II.A.3.b. Cost changes determined under this provision must be based upon facts and commitments in existence as of the filing date of the report. If the provider cannot substantiate the fact that such facts and commitments did exist as of the filing date, the welfare rate will be subject to adjustment according to the provisions of II.B.3. and ~~II.A.10.~~ and III.A.10. If known cost changes calculated under (1) through (11) above do not in fact occur, the welfare rate will similarly be subject to adjustment under II.B.3. If actual cost increases exceed the known cost changes determined under (1) through (12) above, no adjustment in welfare rate will be made.

4. Government grants for operations during the prospective rate period must be deducted from the welfare per-diem rate either calculated in II.A.1, 2, and 3, or elected in II.C.2.

B. Effective Date, Notifications, and Adjustments

1. Effective date. A new per-diem rate determined by the Department will be effective the first day of the month following the provider's normal fiscal year end except in instances in which penalty provisions of Regulations III.A and V.B. are applicable.

Revised ~~August 1, 1975~~ January, 1976

If the new rate results in a lower rate than the previous rate, the provider has 120 days after the original filing date in which to pay back any difference received during the period the new rate was to be effective. If the new rate results in a higher rate than the previous rate, the county welfare board(s) shall make payment to the provider within 45 days after receiving notification of the rate adjustment.

2. Notification of rate decision. A temporary rate notification consisting of the previous year's allowed historical cost per resident day plus 80% of the indicated allowed known cost changes per resident day will be issued and paid on receipt of the report. The Commissioner will notify the provider, in writing, and the respective county welfare boards of the rate determined under these regulations as well as the effective date of such rate. Included in this notification will be a detailed statement of the reason for any difference between the rate requested by the provider and the rate determined. ~~Within 30 days after receipt of the report, the provider will be notified of either the allowable welfare rate or the need.~~

3. Adjustment for error or omissions. All rates determined according to DPW Rule 52 may be subject to adjustment as a result of errors or omissions determined through audit of the provider's accounting and statistical records or by amended reports as provided by III.A.10. Such adjustments are limited to the three complete fiscal years preceding the date on which an audit commences. If the adjustment results in a payment from the provider to the county welfare board(s) the provider will have up to 120 days after the date on which the provider received written notification of the adjustment. If the adjustment results in a payment from the county welfare board(s) to the provider, the county welfare board shall make payment within 45 days after the date of receiving written notice of the adjustment.

C. Special Rate-Setting Procedures

1. New facilities.

a. Required reports. Providers with newly constructed or established facilities can request an interim welfare rate. The provider must submit reports as required in II.A.1. for the immediate future fiscal year forecast results.

b. Report compliance. Reports will comply with all applicable sections of these regulations governing cost finding, reporting, and allowable costs, to the extent feasible in the individual circumstances. Noncompliance with any provision of these regulations must be so stated, together with the reasons why the provider cannot comply.

II.C.1.c. Interim-rate establishment. The Commissioner will establish an interim rate in accordance with Regulation II.A. retroactive to the first day on which a Medical Assistance recipient is placed in the home. Such rate shall be subject to retroactive upward or downward adjustment in accordance with all provisions of DPW Rule 52 except II.A.2. on the basis of first cost report covering actual results for the period to which the rate has been applied. Adjustments to the interim rate will be in accordance with II.B.1. and III.A.10. Such rate shall be subject to retroactive upward or downward adjustment based on occupancy of no less than 80%. The 80% occupancy factor shall apply only to facilities of more than 10 beds. Adjustments to the interim rate may be made at the option of the provider either at the end of the provider's first fiscal year or after six months of historical cost experience. The settlement must be based on at least six months of historical cost and statistical experience.

Occupancy for the immediate fiscal year must be based on an annualization of the last three months of the interim fiscal year but not less than 90% occupancy.

II.C.2. Election of flat rate for small providers. Providers with a capacity of 16 or fewer licensed beds may annually elect to receive a flat per-diem rate for providing required care of welfare residents instead of receiving a rate by complying with reporting requirements of III.A. These rates will be reviewed and adjusted annually, if warranted, by the Commissioner through policy bulletins. All facilities under common ownership or management must accept either the flat rate for all facilities or file cost reports for each facility. ~~The initial flat rate for all regions will be $7.50. Such an election must be made within reporting deadline provided by III.A.5. by submitting the short form for the flat rate election or be subject to penalty provisions of III.A.6. Such rates will be in effect for one year.~~ The flat rate for all regions will be $9.00 per resident day effective January 1, 1976 and will expire at the end of each provider's current fiscal year. Reports under II.A.1. will then be required with exceptions to reporting requirements under III.A. based on written request from provider and approval for such exceptions from the Commissioner.

II.C.3. ~~Incidental welfare rate. Providers may elect to receive a flat rate under III.C.2. for care of welfare recipients if welfare recipients account for less than 20 per cent of the licensed capacity of the facility.~~

Revised January 1, 1976

D. Rate Limitations

1. Limitations based on private pay rates or relevant federal or state laws and regulations. Notwithstanding any other provisions of these regulations, the established provider rates for residential service will not exceed the normal provider's rate charged private residents for comparable residential services. This rate limitation shall be applied when the welfare rate is anticipated to exceed the private pay rate for a comparable time period. Welfare rates may further be limited by federal laws or regulations that affect the Medical Assistance Program. Rates charged for respite beds must be identified as a private pay rate.

2. Over-all rate limitation. ~~Welfare rates will be limited to a ten-per-cent increase over the previous welfare rate. The ten-per-cent limitation does not apply to minimum, immediate requirements imposed by federal, state, and local laws and regulations.~~ Welfare rates will be limited to a fifteen percent increase over the previous welfare rate. The fifteen percent limitation does not apply to minimum, immediate requirements imposed by federal, state, and local laws and regulations as identified under section II.A.3.a. Facilities that have a non-calendar year-end and have been previously subject to the rate limitation may adjust the rates to the new rate limitation if previously justified by the reports. The rate limitation will not apply to providers whose welfare rate requests do not exceed $19.00 per resident day for facilities located in the 7-county metropolitan area and $16.00 per resident day for facilities located outside the stated metropolitan area.

E. Appeal Procedures

1. Scope of appeals procedures. These procedures describe the manner by which unresolved individual provider or county welfare board disputes that may arise about application of these regulations excluding regulation II.E. will be settled. Unresolved disputes are defined as those disagreements that cannot be resolved informally between the provider and the Department staff normally assigned responsibility for administration, or the provider and a county welfare board.

~~II.E.2.~~ ~~Composition of Appeals Committee. Unresolved disputes will be heard by a five-man Appeals Committee composed of knowledgeable and interested people. No more than three persons representing ICF/MR facilities or ICF/MR associations may serve at any one time. The Commissioner shall consult with various professional organizations and select the members of the Appeals Committee for terms not to exceed his own term of appointment.~~

II.E.2. Appeals Examiner. Unresolved disputes will be heard by a staff person from the State of Minnesota's Hearings Examiner Office.

~~II.E.3.~~ ~~Compensation of Committee Members. Members of the Appeals Committee shall be compensated for time and expenses incurred in performance of required duties.~~

~~II.E.4.~~ ~~Frequency of Committee meetings and hearings. The Appeals Committee will meet at least quarterly at a predetermined time and place to hear and determine disputes.~~

II.E.~~5~~.3. Time limit. The provider, or the county, has 30 days to appeal from the date of the Department's notification of the new per diem rate.

II.E.~~6~~.4. Appeal procedure. If the provider and the Department's staff normally assigned responsibility for administration or the provider and a county welfare board cannot agree to a settlement of the dispute,

then each party will submit in writing the facts, arguments and any other appropriate data to the ~~Appeals Committee~~ Hearings Examiner. The ~~committee~~ Examiner will review the dispute, request additional information or analyses to be submitted by the Department or the provider, and then recommend to the Commissioner disposition of the dispute. Because existing state law does not permit the Commissioner to delegate his powers, final authority on disposition of disputes must be retained by the Commissioner.

7. Effective date of resolved disputes. If the dispute is related to a change in the provider's rate, the amount in dispute will not be adjusted until final determination according to these appeal procedures is made. The total dollar amount due the provider or the county resulting from the resolved disputes will be subject to the payment provision of II.B.3.

8. Findings and conclusions. Any findings, conclusions, or opinions of the Appeals Committee Hearings Examiner about any appeal will be made available to the provider and will become part of the Department record.

III. Reports

A. General Reporting Requirements and Submittal Procedures

1. Required reports. Except as provided by II.C.2, to receive a per-diem rate for providing care to welfare recipients, the provider must submit reports covering the provider's normal fiscal year conforming to the uniform accounting system defined in forms supplied by the Department. Reports, supporting documentation, and worksheets will consist of the following:

   a. General provider information and statistical data.

   b. Financial statements consisting of a comparative balance sheet, statement of changes in equity, and comparative statement of earnings or operations.

   c. Reports of historical costs and known changes together with supporting calculations and worksheets.

   d. Rate-determination worksheets.

   e. All other data relevant to justification or support of the welfare rate as deemed necessary by the Commissioner or designated representative.

   Specific report formats and preparation instructions will be contained in a provider manual prepared and revised periodically by Department personnel. Copies of the manual will be made available to all interested parties through the Documents Section of the Department of Administration. Newly established providers or providers who change their fiscal year must file short-period reports if the period covered is more than five months. Providers who have major program changes approved by the Department of Public Welfare may submit an amended report to show the change in costs due to the program change. The cost effect of the program change must be at least $2,000 for the remainder of the provider's reporting period in order for him to submit an amended report.

2. Method of accounting. The accrual basis of accounting in accordance with generally accepted accounting principles shall be the only method acceptable for purposes of satisfying reporting requirements. In a unique situation such as the use of government providers, the use of the accrual basis of accounting may not be applicable. In such an instance, the Commissioner may permit the provider to use a cash or modified cash basis of accounting if the provider can establish that no difference in rate would result.

3. Records. The provider, where applicable, will maintain statistical and accounting records to support information in no less

detail than that required by III.A.1. required reports. The provider shall also make available federal and state income tax returns upon request of Department personnel.

4. Report certification.

a. Reports required in regulation III.A.1. will be accompanied by a certification of (1) the majority owner defined as the person having over 50 per cent effective ownership, or the chief financial officer if there is no majority owner, and (2) the administrator or the chief operating executive. If reports have been prepared by someone other than the above individual, a separate statement signed by the preparer shall be included stating the terms of the preparer's employment.

b. If the provider has either audited or unaudited financial statements prepared by an independent public accountant, such statements must be submitted as a part of reports required by III.A.1.

5. Reporting deadlines and extensions.

a. Deadlines. Required reports shall be submitted directly to the Department within three calendar months after the close of the provider's normal fiscal year.

b. Report deadline exceptions. The Commissioner may grant exceptions to the reporting deadline for just cause. A routine extension of 60 days will be granted when a written request is received by the Department prior to the reporting deadline.

6. Penalties.

a. Report preparation and submittal. The penalty for noncompliance with Regulations III.A.1. and III.A.5. will be to reduce the reimbursement rate to 80 per cent of the rate then in effect on the first day of the fourth calendar month after the close of the provider's normal fiscal year. This penalty is not to apply for minor errors and omissions on reports. If the required reports are subsequently submitted, retroactivity of the established rate will be limited to the first day of the month following the month in which acceptable reports are received, unless retroactivity to a prior date is otherwise designated by the Commissioner.

b. False reports. Incorrect or false information supplied by the provider on required reports resulting in overpayments to the provider will result in one or more of the following:

(1) Immediate adjustment of the welfare rate, along with retroactive recovery by the county welfare board of funds incorrectly paid to the provid

(2) Termination of the provider contractual agreement.

(3) Prosecution under applicable federal and Minnesota statutes.

7. Audits. All reports will be subjected to desk audit and may be subjected to field examination of supporting records and compliance with regulations by state and federal auditors or auditing firms under contract to the state. If such audits reveal inadequacies in provider record keeping and accounting practices, the Commissioner may require that the provider engage competent professional assistance to properly prepare required reports. Penalties of III.A.6.a. or b. may be applied to ensure compliance with this provision.

8. Application of reasonable cost principles. Reports required by III.A.1. must be prepared in accordance with reasonable cost principles in IV.

~~9. Confidentiality of submitted reports. All reports submitted by providers will be considered confidential, pursuant to Minnesota Statutes, Section 393.07, Subd. 4. No data identified with a provider by name will be issued publicly by the Department; however, this provision cannot apply to the functions of other state agencies and the Federal Government where accessibility to records is required by existing laws and regulations.~~

~~10. Amended reports. Providers may file amendments to previously filed reports when errors or omissions are uncovered if such changes in the welfare per diem rate would result in at least a five cents per resident day or $2,000 adjustment, whichever is less, for each annual period. The payment and payments covered by this provision are governed by II.B.3.~~

III.A.9. Providers may file amendments to previously filed reports when mathematical errors or omissions are uncovered or when federal or state minimum wage law changes occur unexpectedly. The cost changes to comply with minimum wage laws will be limited to the wage increases required to meet the minimum standards of federal or state wage laws. Such changes in the welfare per diem rate must result in at least a five cent per patient day or $2,000 adjustment, whichever is less for each annual period.

B. Special Provisions for Multi-home Providers and Providers Involved in Other Business Activities

1. Charges from related organizations. Costs applicable to services, facilities, and supplies furnished to the provider by organizations related to the provider by common ownership or control are includable in the allowable cost of the provider at the cost to the related organization. If the related organization in the normal course of business sells services, facilities or supplies to the outsiders, the cost to the provider shall not be greater than the outsider's price. However, sales to outsiders must constitute at least 5 per cent of its sales.

2. Cost allocation of top-management salaries and management fees. The allocated portion of compensation for the chairman of the board, directors, presidents, or other similarly titled individuals and other corporate charges or costs allocated to an ICF/MR facility must represent the cost of services actually rendered and be identified according to the type of service provided.

C. Definitions

1. Cost categories. Costs used for rate-setting purposes and related to resident care are to be grouped according to major cost categories used in required reports. Such categories are defined as follows:

a. Resident-living. All directly identifiable personnel costs associated with residential service. Personnel costs to be included are the salaries of the director of residential living, supervisors of residential-living staff, and residential-living staff.

b. Developmental services. All directly identifiable costs of developmental services, such as training, rehabilitation, and social services not separately reimbursed according to III.C.2.j.

c. Health services. All directly identifiable costs related to health services not separately reimbursed according to III.C.2.j. Costs will include personnel, purchased services, and supplies.

d. Resident-related services. All directly identifiable costs of resident-related services, such as recreation, religion, arts and crafts, and leisure time activities not separately reimbursed according to III.C.2.j. Costs will include personnel, purchased services, and supplies.

e. Food services. All directly identifiable costs of normal and special diet food, including food preparation and serving. Personnel costs to be included in dietary costs are the salaries of dieticians, chefs, cooks, dishwashers, and all other employees assigned to the kitchen and dining room.

f. Laundry and linen. All directly identifiable costs of linen and bedding, laundering, and laundry supplies. Personnel costs to be included in laundry are the salaries of laundry employees, seamstresses, laundrymen, and ironers.

g. Housekeeping. All directly identifiable costs of housekeeping, including cleaning and lavatory supplies. Personnel costs to be included are the salaries of housekeepers, maids, and other cleaning personnel.

h. Plant operation and maintenance. All directly identifiable costs for maintenance and operation of the buildings and grounds, including fuel, electricity, water, supplies and parts to repair and maintain equipment and facilities, and tools. Personnel costs to be included are the salaries of engineers, painters, heating plant employees, plumbers, electricians, carpenters, and watchmen.

i. General and administration. All directly identifiable costs for administering over-all activities of the facility, including business-office functions, travel expense, motor vehicle operating expense, telephone charges, office supplies, advertising, licensing fees, and professional services. Personnel costs are the salaries of administrators, assistant administrators, accounting personnel, and all clerical personnel. Also included in administration are fringe benefits costs of all employees, such as employment taxes, health insurance, pensions, and life insurance; also included are other costs not otherwise classified under definitions in III.C.1.

j. Miscellaneous nonreimbursable services and expenses.

(1) All directly identifiable costs of functions normally reimbursed by charges to residents, employees, or outsiders, such as the operating costs of a pharmacy, beauty shop, or coffee and gift shop, are included here.

(2) Also included are specific costs that may be incurred by the provider and reimbursed separately according to a fee schedule. These include but are not limited to the following:

aa. Services provided by licensed medical, therapeutic, or rehabilitative practitioners.

bb. Oxygen at prevailing prices.

cc. Wheel-chair alterations for specific Medical Assistance recipients.

III.C.1.j.(3) Also included in this section will be costs associated with operating activities financed by ~~gifts or grants from private or public funds~~ restricted or unrestricted gifts or grants from private or public funds. Costs deemed unallowable under section IV of the rule can be identified as offsets from such gifts or grants.

(4) All costs classified in III.C.1.j. are not allowable for purposes of determining a per-diem rate under these regulations.

2. Resident days.

a. General definition. For purposes of determining a per-diem rate, a resident day is defined as a day for which full and normal billings were rendered.

D. Cost-Allocation Procedures

1. General provisions for all providers.

a. Costs will be classified in accordance with categories defined in Regulation III.C.1.

b. Classification of costs to cost categories III.C.1. will involve one or more of the following steps:

(1) Direct identification, without allocation, which will be accomplished in the routine classification of transactions when costs are recorded in the books and records of the provider.

(2) Other costs that cannot be classified to cost categories through use of procedure III.D.1.b.(1) will be classified in the administrative category.

c. Adjustments for costs otherwise reimbursed. Recorded costs will be reduced for costs related to other activities not subject to rate determination as defined in Regulation III.C.1.j.

2. Allocation of non-allowable personal expenses for owners living in the facility. Allocation procedures are defined in the following sections and must be applied in the order stated for personal expenses included in the expenses of the facility.

a. Food services.

(1) Cost allocation based on the number of meals served.

(2) Cost allocation based on actual resident days.

b. Laundry and linen, housekeeping, and plant operations and maintenance.

Same as III.D.2.a.(2) - resident days.

c. Depreciation, interest, and real estate and personal property taxes.

(1) Allocations based on the ratio of square feet of floor space devoted to personal use.

(2) Same as III.D.2.a.(2) - resident days.

3. Allocation of costs for providers of care other than ICF/MR or nursing homes. Reasonable cost allocations must be made for costs associated with care other than ICF/MR or nursing home.

IV. Reasonable Cost Principles

A. General Provisions

1. Reasonable costs. Costs to be allowable for rate-setting purposes must satisfy the following over-all criteria:

   a. They must be necessary and ordinary costs related to resident care.

   b. They must be costs that prudent and cost-conscious management would pay for a given item or service.

2. Costs not allowable. Costs that relate to management inefficiency, unnecessary care or facilities, and activities not related to the MR field are not allowable.

3. Reasonable compensation. Reasonable compensation of individuals employed in the facility is an allowable cost, provided that the services are actually performed in a necessary function and the costs reported are actually incurred. To be reasonable the compensation allowance must be such an amount as would ordinarily be paid for comparable services by comparable facilities. To be necessary the function must be such that had the individual not rendered the services, the facility would have had to employ another person to perform the services. The function must also be pertinent to the operation and conduct of the facility. Where the services are rendered on less than a full-time basis, the allowable compensation should reflect an amount proportionate to a full-time basis. Compensation shall include payment to individuals as well as to organizations of non-paid workers that have arrangements with the provider for the performance of services by non-paid workers.

4. Substance over form. The cost effect of transactions that are conceived for the purpose of circumventing the regulations contained in DPW Rule 52 will be disallowed under the principle that the substance of the transaction shall prevail over form.

5. Costs due to changes in federal or state requirements. Costs incurred to comply with changes in federal or state laws and regulations on increased care and improved facilities are allowable costs for purposes of determining a historical per-diem rate under II.A.1.

6. Reduction in costs. Purchase discounts, allowances, and refunds are a reduction of the cost of whatever was purchased.

7. Annual review of cost limitations. The Commissioner shall review annually the depreciation basis limitation (IV.C.2.) and adjust the limitations accordingly if justified by current data. The data used as a basis for this determination shall be made available to all providers.

8. Application of principles and specific limits. The reasonable cost principles defined in IV.A. apply to all reported costs and have been specifically defined for certain cost elements in IV.B. through IV.E.

IV.A.9. Top-Management compensation limitation. Top-management compensation includes that of owners, administrators, board of directors and all other individuals receiving compensation as executives. The annual compensation for rate-setting purposes will be limited to compensation for no more than 60 cumulative employment hours per week and will be determined according to the total number of licensed ICF/MR beds as follows:

Number of Beds	Cumulative Annual Bed Compensation
1 - 30	$435
31 - 60	240
over 60	180

For facilities of 30 beds or less the administrator's salary may be allocated between varied functions performed by the administrator if justified through review of personnel complement by licensing personnel. The maximum compensation limitation shall be $35,000.

If an individual or group of individuals are included in the definition of top management compensation and own and/or operate more than one facility, the total compensation for an individual or group of individuals shall be computed based on the cumulative number of beds in all facilities and shall be limited in total to $35,000.

For each full percentage point increase in the consumers price index in Minneapolis-St.Paul as published by the Bureau of Labor and Statistics for the months October, 1974 and October, 1975, new series index (1967=100), the annual compensation limitation shall be increased by one percent. The increase, if any, generated by this formula shall be affected on January 1, 1976. Similar calculations shall be made for each successive year using the October indices for two successive years with the increases beginning effective the following January.

Revised January 1, 1976

B. General and Administrative Expenses

Reasonable cost criteria for general and administrative expenses are as follows:

1. Owner's life insurance. The costs of premiums are not allowable.

2. Personal expenses. Personal expenses of owners or employees, such as homes, boats, airplanes, vacation expenses, etc., are not allowable costs. The costs of residences for administrators and key staff are allowable costs if such costs together with other compensation are reasonable.

3. Professional, technical or business-related organizations. These costs are allowable if their function and purposes can be reasonably related to the development and operation of ICF/MR facilities and programs for the rendering of resident-care services.

4. Social, fraternal, and other organizations. Costs incurred in connection with memberships in all organizations not included in IV.B.3. are not allowable.

5. Travel and automobile. These expenses are not an allowable expense unless they are related to activities of managing the ICF/MR facility.

6. Entertainment. These expenses are not allowable costs.

7. Advertising. Costs incurred in connection with maintaining or maximizing occupancy are allowable.

8. Pension plans and profit sharing. Contributions to either an Internal Revenue Service-approved pension or profit-sharing plan, but not both, are allowable costs.

9. Employee education costs, orientation, and on-the-job training. Costs relating to providing improved resident care or, where required by state law, are allowable costs. If part or all of these costs are reimbursed by private or public funds, only the excess of cost over reimbursed funds are allowable costs. All such costs should be included in respective cost categories III.C.2. unless not identifiable.

10. Training programs for non-employees. Costs of training programs conducted for non-employees other than for volunteers are not allowable.

11. Telephone, television, and radio service. These are allowable costs where furnished to the general resident population in areas of the living unit, recreation rooms, lounges, etc. The costs of these services when located in a resident's private accommodation are not allowable.

12 Non-competitive agreement. Costs of these agreements are not allowable.

IV.B.13. Pre-opening costs. One-time pre-opening costs of new facilities incurred prior to admittance of residents must be capitalized as a deferred charge. Costs in the form of amortization will be recognized as allowable costs over a period of no less than 60 consecutive months beginning with the month in which the first resident is admitted for care. ~~Examples of these costs are wages paid prior to the opening of the facility, construction financing, organization costs, feasibility studies, etc.~~ Examples of these costs are wages paid for services rendered more than 30 days prior to the opening of the facility. Construction financing, feasibility studies, and other costs related to construction must be depreciated over the life of the building.

14. Bad debts. Amounts considered to be uncollectible resident accounts are not allowable costs.

15. Fund-raising costs. Costs incurred for such purpose including advertising, promotional, or publicity costs are not allowable in the year in which they are incurred except in the form of amortization as allowed by IVE1.

16 Charitable contributions. These are not allowable costs.

C. Depreciation.

1. Basis for depreciation calculation.

a. Cost. Historical cost of ICF/MR facilities shall be the basis for calculating depreciation as an allowable cost, except as provided by IV.C.1.b.

b. Change in ownership of facilities. In a case in which a change in ownership of an ICF/MR facility occurs, and the new owner's investment is greater than the old owner's investment, if a bona fide sale is established by the new owner, the basis for depreciation will be adjusted as follows:

(1) In the case of a complete change in ownership, the basis for calculating depreciation will be the lower of:

aa. The portion of the purchase price properly allocable to depreciable ICF/MR facilities.

or

bb. The appraised value of the depreciable ICF/MR facilities calculated under the reproduction-cost-depreciated method.

(2) In the case of a partial change in ownership, as defined below, the basis for calculating depreciation shall be determined according to provision of IV.C.1.b.(1), the case of a complete change in ownership, except that all relevant figures will be placed on a scale proportionate to the percentage of ownership change. For purposes of this provision, a partial change in ownership occurs only in the case of an organization with ten or fewer owners, after the change in ownership, and when the ownership change exceeds 20 per cent. Any increase allowed by this section will then be adjusted according to IV.C.1.f.

c. Redemption of ownership interests. In a case in which the remaining owners establish the fact that a bona fide redemption of an ownership interest has occurred, the basis for calculating depreciation will be increased by the excess, if any, of the redemption price over the former owner's investment. The adjusted basis shall be determined by applying the provision of IV.C.1.b.(2).

d. Donated assets. The basis of donated assets, except for donations between providers or related parties, shall be fair market value defined as the price that an able buyer would pay a willing seller in an arms length sale or appraised value defined in IV.C.1.b.(1)bb, whichever is lower. An asset is considered donated when the provider acquires the asset without making any payment for it in the form of cash, property, or the services. In the instance of the exception stated, the

net book value to the donor shall be the basis for the donee.

e. Subsequent acquisitions. The basis for calculating depreciation may be increased for the actual cost of equipment additions or facility modification or renovation.

f. Recapture of depreciation resulting from sale of facility. The sale of depreciable ICF/MR property, or substantial portion thereof, at a price in excess of the cost of the property as reduced by accumulated depreciation used for purposes of computing allowable costs was greater than the actual economic depreciation.

(1) The amount of the recapture will be determined as follows:

aa. The gross recapture amount will be the lesser of the actual gain on the sale or the depreciation after the effective date of DPW Rule 52.

bb. The gross recapture amount as determined in aa. above shall be allocated to fiscal periods from the effective date of DPW Rule 52 through the date of sale. The gross recapture amount shall be allocated to each fiscal period in the same ratio as depreciation amounts claimed under DPW Rule 52. The amount allocated to each period shall be divided by the total actual resident days in that period, thereby determining a resident day cost for the period. The total net recapture shall then be determined by multiplying the actual welfare days times the resident-day cost for each fiscal period.

cc. The total net recapture amount determined according to bb above will be reduced by one per cent for each month of ownership since the date of acquisition of the facility. The net recapture paid to the State of Minnesota is includable in the new owner's basis for depreciation subject to the provisions of IV.C.1.b.

(2) The net recapture amount so determined in cc. above will be paid by the new owner to the State of Minnesota within a time period agreed to by the Commissioner and the new owner. The time period should effectuate an orderly payment schedule and must not exceed two years after the date of sale.

g. Gains and losses on disposition of equipment. Gains and losses on the sale or abandonment of equipment are includable in computing allowable costs. A gain shall be an offset to depreciation expense to the extent that such gain resulted from depreciation reimbursed under these regulations. Gains or losses on trade-ins should be reflected in the asset basis of the acquired asset. Abandonment losses will be limited to five cents per resident day annually; however, any excess over this limitation can be carried forward to future years.

2. Limitations.

a. The total basis of depreciable ICF/MR facility assets shall not exceed an average of ~~$11,000 per bed~~ $14,820 per bed for licensed beds built or purchased after January 1, 1974. ~~This limitation shall not apply if the original financing of the facility included a mortgage or other fixed obligation secured through an arms-length transaction that was in excess of these limiting amounts.~~ The Commissioner may waive this limitation if the facility is deemed to be necessary and no alternative comparable facility is available. This limitation will be adjusted annually beginning January 1, 1976 according to a construction index as determined by the Commissioner.

b. In no instance can accumulated depreciation calculated in accordance with IV.C. exceed the basis defined in IV.C.1.

c. Accumulated depreciation as of the beginning of the first fiscal year covered by this regulation shall be calculated retroactively using the useful lives defined in IV.C.3 and IV.C.4.

e. Regardless of the applicability of the limitation stated in IV.C.2.a. above, depreciation on investments in facility modifications and new equipment will be allowed if they were required by local, state or federal requirements.

3. Depreciation rates for new facilities and equipment. Depreciation shall be calculated using the basis determined under IV.C.1, applying the following useful life schedule:

Building - 35 years.

Building improvements (depreciated over the remaining life of the principal asset or useful life, but not less than 15 years).

Land improvements - 20 years.

Equipment - five years.

Vehicle - four years.

4. Other useful lives.

   a. Depreciation rates for used facilities and equipment. The useful life shall be assigned by the provider, considering the individual circumstances; however, the useful life will not be shorter than one-half of the useful life provided by IV.C.3.

   b. Leasehold improvements. The useful life of the improvement or the remaining term of the lease, including renewal periods, shall be used, whichever is shorter.

5. Depreciation method. The straight-line method of depreciation should be used except, at the option of the provider, when the principal payments on capital indebtedness (as defined in IV.E.1.a.) exceed the total depreciation allowance calculated in accordance with IV.C. In such an instance, depreciation may be increased to equal principal payments on capital indebtedness amortized over actual amortization periods; however, the amortization period cannot be less than 20 years for building and five years for equipment. Accumulated depreciation cannot exceed the basis defined in IV.C.1.

6. Facilities financed by public funds. Depreciation will not be allowed on the portion of facilities financed by federal, state, or local appropriations or grants unless the intent of such appropriation or grant was that it be repaid through operating revenue of the facility.

7. Non-Depreciable assets. ICF/MR facility assets that are not depreciable include but are not restricted to:

   a. Land. Includes the land owned and used in provider operations. Included in the cost of land are the costs of permanent roadways and grading of a non-depreciable nature, the cost of curbs and sidewalks whose replacement is not the responsibility of the provider, and other land expenditures of a non-depreciable nature.

   b. Goodwill. Includes amounts that result from purchase of property or stock in excess of determinable value as determined in IV.C.1.b.

8. Capitalization vs. expense. Expenditures for equipment that has a useful life of more than one year shall be capitalized except that the provider may show as expenses small equipment purchases normally capitalized if such items do not exceed five cents per resident-day annually.

D. Leased Facilities or Equipment.

1. Rental charges. Rental charges incurred by a provider through reasonable bona fide leases between unrelated parties are includable in allowable costs unless:

   a. Rental charges result from a sale, lease-back arrangement, or lease with option to buy at a price less than anticipated value.

   b. Rental charges are paid to a related or controlled organization. If either IV.D.1.a. or IV.D.1.b. exists, the provisions of IV.D.2. will be applied.

2. Allowable costs in lieu of disallowed rental charges. If rental charges are not allowed, the provider will be allowed depreciation computed in accordance with IV.C. as if the disallowed transaction had not occurred. In addition, the provider will be allowed the reasonable cost of the facility assumed by the lessor such as interest on capital indebtedness up to 65 per cent of net allowable assets, taxes, insurance, other costs, and earnings allowance provided by IV.E.2. and IV.E.4., if applicable.

3. Limitation. Allowable rental charges are subject to the investment per bed limitations of IV.E.2.a.(1), determined by calculating the present value of lease payments exclusive of real and personal property taxes and other costs assumed by the lessor. Interest rates used in capitalizing lease payments shall be the mortgage rate of the lessor or, if the mortgage rate is not available, 2.15 percentage points above the interest rate of Federal Hospital Insurance Trust Fund obligations as of the effective date of the lease.

E. Cost of Capital

1. Interest.

   a. Interest expense is an allowable cost and will be classified as follows:

(1) Interest on capital indebtedness includes amortization of bond premium and discount and related financing costs. Capital indebtedness is defined as any loan that is applied to purchased fixed assets related to providing residential care as defined in IV.E.2.a.(1). The form of indebtedness will include mortgages, bonds, notes, and debentures, when the principal is repaid over a period in excess of one year.

(2) Other interest for working capital and operating needs that directly relate to providing residential care is an allowable cost. The form of indebtedness will include, but not be limited to, notes, advances, and various types of receivable financing the principal of which will be generally repaid within one year.

b. Interest income will be a deduction from interest allowable under provision IV.E.1.a.(1) or IV.E.1.a.(2). Interest income on restricted funds will not be deducted from interest expense. Restricted funds are defined as all unexpended donated funds carried by the facility that are restricted for other than operating costs. The operating or building funds cannot be included as part of restricted funds for this purpose.

c. Interest rate. The interest rate incurred must not be in excess of what a borrower would have had to pay in an arms-length transaction in the money market when the loan was made. When a non-proprietary provider borrows from its own restricted fund, interest paid by the general fund to the restricted fund is allowable at a rate not to exceed the interest rate the fund is currently earning. Interest on loans between operating and building funds is not allowable.

d. Construction interest. Interest cost incurred during and related to construction must be capitalized as a part of the cost of the facility. The period of construction is considered to extend to the date the facility is put into use for resident care.

e. Allowable interest limitation for proprietary providers. Because of provision of IV.E.2. for proprietary providers, the allowable interest expense defined in IV.E.2.a.(1). shall not exceed the provider's average interest rate times 65 per cent of net allowable assets as defined in IV.E.2.a.(1).

2. Earnings allowance for proprietary Providers.

a. Determination of allowance. An allowable cost for rate setting purposes is a reasonable return on capital provided by owners of proprietary facilities. The return will be applicable only to the portion of investment devoted to welfare recipients, and the return represents an earnings opportunity, not a guarantee. This return does not represent an attempt to regulate the actual return realized by proprietary providers. The earnings allowance will be determined individually for each provider, considering the following factors:

(1) Net allowable fixed assets employed will include actual cost of land, land improvements, buildings and equipment minus cumulative depreciation calculated in accordance with regulation IV.C. and further limited to $1,000 in excess of the limitations provided in IV.C.2.a.

(2) The amount of capital provided by owners will be assumed to be 35 per cent of the net allowable fixed assets employed in providing residential care.

(3) The after-tax rate of return allowed on capital provided by owners, calculated on the basis of IV.E.2.a.(1) and IV.E.2.a.(2), will be ten per cent.

(4) To obtain an after tax rate of return of ten per cent requires that the earnings allowance include an amount for average effective federal and Minnesota corporate income tax rates of 31.3 per cent to 54.24 per cent, depending upon the tax bracket that would result from applying the rate of return to net allowable fixed assets.

(5) An additional earnings allowance will be allowed on the remaining 65 per cent of net allowable fixed assets not otherwise covered by capital indebtedness. The allowance will be six per cent of this amount.

3. ~~Leased facilities. An earnings allowance to a proprietary provider who has a leased facility will be permitted to the extent that the provider can substantiate the fact that the calculated earnings of the lessee and lessor combined do not exceed the earnings allowance prescribed by IV.E.~~

Revised January 1, 1976

4. Minimum cost of capital allowance for ~~proprietary~~ providers. Notwithstanding the provision of IV.E.1.e. and IV.E.2., the cost of capital allowance shall be no less than the combination of:

a. Actual interest on capital indebtedness.

b. An earnings amount determined by multiplying resident days for a fiscal year, or part thereof if a short period report is being filed, by 35 cents.

~~V. Implementation Procedures~~

~~A. Temporary Transition Provisions~~

~~The provisions of this section define the applicable procedures during the transition period from effective date of this regulation to implementation of normal report submittal and rate determination procedures.~~

~~1. Implementation schedule. Implementation of these welfare regulations will be governed by the speed with which required reports are submitted by ICF/MR providers.~~

~~2. Current rates in effect. The ICF/MR welfare rates in effect as of the effective date of this regulation will continue to be the effective reimbursement rate until a revised rate under these regulations is determined.~~

~~B. Exceptions To Regular Provisions~~

~~All provisions of these regulations shall apply for initial submittal of provider reports except as follows:~~

~~1. Report submittal deadline. Required initial reports shall be submitted in proper form by the provider directly to the Department no later than 120 days after the date on which these regulations become effective.~~

~~2. Applicable provider fiscal year. Required reports shall be based on the provider's most recent fiscal year that would permit compliance with V.B.1.~~

~~3. Effective date of rate adjustments. Providers not complying with reporting requirements of regulation V.B. will be subject to a 20 per cent reduction in existing rates as of effective date of initial rate adjustments. Such effective date will be designated by the Commissioner.~~

~~4. Waiver of reporting procedures. Provisions of III.A. through III.D. governing cost reporting procedures may be waived for initial reports for just cause upon written provider request to the Commissioner.~~

V. Effective Date of DPW Rule 52 Revisions

a. All revisions of this revised DPW Rule 52 except provision IV.C.2.a. shall take effect beginning with reports covering fiscal years ending after November 30, 1975.

b. Providers may request by letter, no later than March 31, 1976, a revised rate as affected only by Section II.D.2. of the rule. The revised rate may be effective as of January 1, 1976.

APPROVED AS TO FORM AND LEGALITY
APR 1 1976 19
WARREN SPANNAUS, ATTORNEY GENERAL
BY /s/ Michael B. Miller
SPECIAL ASSISTANT ATTORNEY GENERAL

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
APR1 - 1976 - 3:45 pm
Joan Anderson Growe
Secretary of State

FILED
RICHARD L. BRUBACHER
Commissioner of Administration
APR 1 1976
BY Edw Stroudenmaier
AUTH. SIGNATURE 4:30 pm

Revised January 1, 1976

STATEMENT OF COMPLIANCE WITH

MANUAL OF RULE MAKING PROCEDURES

I, Special Assistant Attorney General Barbara D. Gill, do hereby declare that I have examined the proposed rules and all related documents and that, based on them and my personal familiarity with the applicable procedures, the Manual of Rule Making Procedures has been followed. Any exceptions are noted below. *

Barbara D. Gill
Special Assistant Attorney General

Dated: March 8, 1976

* There are no exceptions

STATE OF MINNSOTA

COUNTY OF RAMSEY

BEFORE VERA J. LIKINS

COMMISSIONER OF PUBLIC WELFARE

In the Matter of the Proposed Amendment of Rule 52 of the Minnesota Department of Public Welfare Regulating the Determination of Welfare Per-Diem Rates for ICF/MR Providers.

STATEMENT OF NEED

The above-captioned matter relates to the amendment of Minn. Rule DPW 52, an existing rule of the Minnesota Department of Public Welfare. The last time Minn. Rule DPW 52 was amended was August 14, 1973.

Amendment of Minn. Rule DPW 52 is necessary in order to redefine allowable cost principles and welfare rate determination procedures for the providers of care for mentally retarded persons. It is proposed that the rate determination provisions be amended for the method of calculating the welfare per diem rate, the special rate setting procedures, the rate limitations and the appeal procedures. It is proposed that the reporting provisions be amended for the general reporting requirements and for the definitions relating to the cost categories under such reporting requirements. Additionally, it is proposed that the reasonable cost principles be amended for the general provisions, the general and administration expenses, and the cost of capital allowance. Based on the aforementioned changes, it is further proposed that the implementation procedures be amended to reflect the effective date of the revisions.

Amendment of Minn. Rule DPW 52 also is necessary for the proper accountability of public funds as established by this rate-setting rule. Likewise, other revisions are necessary in order to enhance the daily reimbursement to providers of the aforementioned services.

STATE OF MINNESOTA
DEPARTMENT OF PUBLIC WELFARE

Dated: December 10, 1975

VERA J. LIKINS
Commissioner

November 10, 1975

Proposed Changes To DPW Rule 52

II.A.3.a. (11) Rental payments pursuant to a written lease.

II.A.3.a. (11) ~~Unidentified cost increases equal to five per cent of the per diem cost effect of elements II.A.3.a. (1) and (4) through (10), above.~~

II.A.3.a. (12) Unidentified cost increase equal to one percent of the average historical cost per day for the metropolitan area as indicated in II.D.2.

II.A.3.b. Cost changes .. date of the report. If the provider .. according to the provisions of II.B.3. and ~~II.A.10.~~ III.A.10. If known cost changes .. subject to adjustment under II.B.3. ~~and II.A.10.~~

II.C.1.c. The Commissioner ... in accordance with II.B.1. and III.A.10. Such rate shall be subject to retroactive upward or downward adjustment based on occupancy of no less than 80%. Adjustments to the interim rate may be made at the option of the provider either at the end of the provider's first fiscal year or after six months of historical cost experience. The settlement must be based on at least six months of historical cost and statistical experience. The retroactive rate adjustment for the interim rate may not exceed the rate determined for the immediate rate period following the interim rate period. Occupancy for the immediate fiscal year must be based on an annualization of the last three months of the interim fiscal year but not less than 90% occupancy.

II.C.2. Providers with ... will be in effect for one year. The flat rate for all regions will be $9.00 per resident day effective January 1, 1976 and will expire at the end of each provider's current fiscal year. Reports under II.A.1. will then be required with exceptions to reporting requirements under III.A. based on written request from provider and approval for such exceptions from the Commissioner.

~~II.C.3~~ ~~Incidental welfare rate. Providers may elect to receive a flat rate under III.C.2. for care of welfare recipients if welfare recipients account for less than 20 per cent of the licensed capacity of the facility.~~

II.D.1. Notwithstanding any other ... affect the Medical Assistance Program. Rates charged for respite beds must be identified as a private pay rate.

II.D.2. Over-all rate limitation. ~~Welfare rates will be limited to a ten-per-cent increase over the previous welfare rate. The ten-per-cent limitation does not apply to minimum, immediate requirements imposed by federal, state, and local laws and regulations.~~ Welfare rates will be limited to a fifteen percent increase over the previous welfare rate. The fifteen percent limitation does not apply to minimum, immediate requirements imposed by federal, state, and local laws and regulations as identified under section II.A.3.a. Facilities that have a non-calendar year-end and have been previously subject to the rate limitation may adjust the rates to the new rate limitation if previously justified by the reports. The rate limitation will not apply to providers whose welfare rate requests do not exceed $19.00 per resident day for facilities located in the 7-county metropolitan area and $16.00 per resident day for facilities located outside the stated metropolitan area.

~~II.E.2.~~ ~~Composition of Appeals Committee. Unresolved disputes will be heard by a five-man Appeals Committee composed of knowledgeable and interested people. No more than three persons representing ICF/MR facilities or ICF/MR associations may serve at any one time. The Commissioner shall consult with various professional organizations and select the members of the Appeals Committee for terms not to exceed his own term of appointment.~~

II.E.2. Appeals Examiner. Unresolved disputes will be heard by a staff person from the State of Minnesota's Hearings Examiner Office.

~~II.E.3.~~ ~~Compensation of Committee Members. Members of the Appeals Committee shall be compensated for time and expenses incurred in performance of required duties.~~

~~II.E.4.~~ ~~Frequency of Committee meetings and hearings. The Appeals Committee will meet at least quarterly at a predetermined time and place to hear and determine disputes.~~

II.E.~~5~~.3. Time Limit The provider, .. new per diem rate.

II.E.~~6~~.4. Appeal procedure. If the provider and the Department's staff normally assigned responsibility for administration or the provider and a county welfare board cannot agree to a settlement of the dispute,

then each party will submit in writing the facts, arguments and any other appropriate data to the ~~Appeals Committee~~ Hearings Examiner. The ~~committee~~ Examiner will review the dispute, request additional information or analyses to be submitted by the Department or the provider, and then recommend to the Commissioner disposition of the dispute. Because existing state law does not permit the Commissioner to delegate his powers, final authority on disposition of disputes must be retained by the Commissioner.

II.E.~~7~~.5. Effective date of resolved disputes. If the dispute ... provision of II.B.3.

II.E.~~8~~.6. Findings and conclusions. Any findings, .. Department record.

~~III.A.10.~~ Confidentiality of ~~submitted~~ reports. ~~All reports submitted by providers will be considered confidential, pursuant to Minnesota Statutes, Section 393.07, Subd. 4. No data identified with a provider by name will be issued publicly by the Department; however, this provision cannot apply to the functions of other state agencies and the Federal Government where accessibility to records is required by existing laws and regulations~~.

~~III.A.10.~~ ~~Amended reports~~. ~~Providers may file amendments to previously filed reports when errors or omissions are uncovered if such changes in the welfare per-diem rate would result in at least a five cents per resident day or $2,000 adjustment, whichever is less, this provision are governed by II.B.3.~~

III.A.10. Providers may file amendments to previously filed reports when mathematical errors or omissions are uncovered or when federal or state minimum wage laws changes occur unexpectedly. The cost changes to comply with minimum wage laws will be limited to the wage increases required to meet the minimum standards of federal or state wage laws. Such changes in the welfare per diem rate must result in at least a five cent per patient day or $2,000 adjustment, whichever is less for each annual period.

III.C.1.j.(3) Also included in this section will be costs associated with operating activities financed by ~~gifts or grants from private or public funds~~ restricted or unrestricted gifts or grants from private or public funds. Costs deemed unallowable under section IV of the rule can be identified as offsets from such gifts or grants.

IV.A.4. Top-Management compensation limitation. Top-management compensation includes that of owners, administrators, board of directors and all other individuals receiving compensation as executives. The annual compensation for rate-setting purposes is determined according to the total number of licensed ICF/MR beds as follows:

Number of Beds	Cumulative Annual Bed Compensation
1 - 30	$435
31 - 60	240
Over 60	180

For facilities of 30 beds or less the administrator's salary may be allocated between varied functions performed by the administrator if justified through review of personnel complement by licensing personnel. The maximum compensation limitation shall be $35,000.

For each full percentage point increase in the consumers price index in Minneapolis-St. Paul as published by the Bureau of Labor and Statistics for the months October, 1974 and October, 1975, new series index (1967=100), the annual compensation limitation shall be increased by one percent. The increase, if any, generated by this formula shall be affected on January 1, 1976. Similar calculations shall be made for each successive year using the October indices for two successive years with the increases beginning effective the following January.

IV.B.13. Pre-opening costs. One-time pre-opening costs of new facilities incurred prior to admittance of residents must be capitalized as a deferred charge. Costs in the form of amortization will be recognized as allowable costs over a period of no less than 60 consecutive months beginning with the month in which the first resident is admitted for care. ~~Examples of these costs are wages paid prior to the opening of the facility, construction financing, organization costs, feasibility studies, etc.~~ Examples of these costs are wages paid for services rendered more than 30 days prior to the opening of the facility. Construction financing, feasibility studies, and other costs related to construction must be depreciated over the life of the building.

IV.C.2.a. The total basis of depreciable ICF/MR facility assets shall not exceed an average of ~~$11,000 per bed~~ $14,820 per bed. This limitation shall not apply if the original financing of the facility included a mortgage

or other fixed obligation secured through an arms-length transaction that was in excess of these limiting amounts. The Commissioner may waive this limitation if the facility is deemed to be necessary and no alternative comparable facility is available. This limitation will be adjusted annually beginning January 1, 1976 according to a construction index as determined by the Commissioner.

IV.E.4. Minimum cost of capital allowance for ~~proprietary~~ providers. Notwithstanding the provision of IV.E.1.e. and IV.E.2., the cost of capital allowance shall be no less than the combination of:

a. Actual interest on capital indebtedness.

b. An earnings amount determined by multiplying resident days for a fiscal year, or part thereof if a short period report is being filed, by 35 cents.

~~V.~~ Section V.A.1.and 2. and V.B.1. - 4. (Implementation Procedures) are deleted.

V. Effective Date of DPW Rule 52 Revisions

a. All revisions of this revised DPW Rule 52 shall take effect beginning with reports covering fiscal years ending after November 30, 1975.

b. Providers may request by letter, no later than January 31, 1976, a revised rate as affected only by Section II.D.2. of the rule. The revised rate may be effective as of January 1, 1976.

STATE OF MINNESOTA

COUNTY OF RAMSEY

BEFORE VERA J. LIKINS

COMMISSIONER OF PUBLIC WELFARE

In the Matter of the Proposed Amendment of Rule 52 of the Minnesota Department of Public Welfare Regulating the Determination of Welfare Per-Diem Rates for ICF/MR Providers.

ORDER FOR HEARING

In order to effectively implement Minnesota Statutes 256B.27(1974), the Minnesota Commissioner of Public Welfare deems it necessary to consider adoption of proposed amendments to Minn. Rule DPW 52 pursuant to the authority vested in me by Minnesota Statutes 256B.04, subd. 2(1974).

NOW, THEREFORE, IT IS ORDERED this 3rd day of November, 1975, that a public hearing on Minn. Rule DPW 52 be held in the State Office Building Auditorium (Room 83), Wabasha Street (between Aurora and Fuller), St. Paul, Minnesota, on Friday, December 12, 1975, commencing at 9:00 A.M. and continuing until all representatives or associations or other interested groups or persons have had an opportunity to be heard.

IT IS FURTHER ORDERED that notice of said hearing be given to all representatives of associations or other interested groups or persons who have registered their names with the Secretary of State for that purpose.

STATE OF MINNESOTA
DEPARTMENT OF PUBLIC WELFARE

VERA J. LIKINS
Commissioner

STATE OF MINNESOTA

COUNTY OF RAMSEY

BEFORE VERA J. LIKINS

COMMISSIONER OF PUBLIC WELFARE

In the Matter of the Proposed Amendment of Rule 52 of the Minnesota Department of Public Welfare Regulating the Determination of Welfare Per-Diem Rates for ICF/MR Providers.

NOTICE OF HEARING

Notice is hereby given that a public hearing will be held pursuant to Minnesota Statutes 15.0412, subd. 4, as amended, in the State Office Building Auditorium, [Room 83], Wabasha Street [between Aurora and Fuller], St. Paul, Minnesota, on Friday, December 12, 1975, commencing at 9:00 a.m. and continuing until all representatives or other interested groups or persons have had an opportunity to be heard concerning the proposed amendment of Minn. Rule DPW 52, by submitting either oral or written data, statements or arguments. Statements or briefs may be submitted without appearing at the hearing.

In order to facilitate a more orderly and efficient hearing, it is hereby requested that persons who will attend the hearing notify the Commissioner of Public Welfare and submit prepared statements or briefs by Thursday, December 11, 1975. This request is not a requirement nor will it limit any person's opportunity to be heard or submit statements during or after the hearing.

Under Minnesota Statutes 10A.01, subd. 11 (1974), any individual representing persons or associations attempting to influence administrative action, such as promulgation of amendments to this rule, must register with the State Ethics Commission as a lobbyist within five (5) days of the commencement of such activity by the individual. (The State Ethics Commission is located at Room 410, State Office Building, St. Paul, Minnesota 55155.)

The proposal to amend Minn. Rule DPW 52 is necessitated in order to improve and better implement the rate setting procedure for intermediate care facilities for the mentally retarded [ICF/MR] under the Title XIX Medical Assistance program.

Copies of the aforementioned proposals are now available and may be obtained by writing to: Mr. Robert Rau, Supervisor, Audits Division, Minnesota Department of Public Welfare, Fourth Floor, Centennial Office Building, St. Paul, Minnesota 55155. Additional copies will be available at the door on the date of the hearing.

STATE OF MINNESOTA
DEPARTMENT OF PUBLIC WELFARE

Dated: November 7, 1975

Vera J. Likins

VERA J. LIKINS
Commissioner

STATE OF MINNESOTA)
) ss
COUNTY OF RAMSEY)

CAROL R. WATKINS, being duly sworn on oath deposes and states:

1. That she is an employee of the Department of Public Welfare of the State of Minnesota.

2. That on the 6th day of November, 1975, she went to the Minnesota Secretary of State's office and requested a current list of all representatives of associations or other interested groups or persons who had registered their names with the Secretary of State for the purpose of obtaining notices of public hearings relating to the promulgation of rules pursuant to Minn. Stat. § 15.0412 (1974), as amended.

3. That on the 6th day of November, 1975, in response to the above request, the Secretary of State provided her with such a list, a copy of which is attached hereto and incorporated by reference.

Further affiant sayeth not.

Carol R. Watkins
CAROL R. WATKINS

Subscribed and sworn to before me
this 6th day of November, 1975.

Margaret A Holt
Margaret A. Holt

STATE OF MINNESOTA

COUNTY OF RAMSEY

In the matter of the Proposed Adoption of Amendments to Rule 52 of the Minnesota Department of Public Welfare Governing the Determination of Welfare Per-Diem Rates for ICF/MR Providers.

AFFIDAVIT OF MAILING

Carol Watkins, being first duly sworn, deposes and says:

That on the 10th day of November, 19 75, at the City of St. Paul, County of Ramsey, State of Minnesota, she served the attached Notice of Hearing by depositing in the United States mail at said City of St. Paul, a true and correct copy thereof, properly enveloped, with postage prepaid, to all persons and associations at the addresses listed on the attached Certificate of the Secretary of State as well as to all persons listed on the attached sheet as presently being members of the Minnesota Legislature.

Carol Watkins

Carol Watkins

Subscribed and sworn to before me this 2nd day of March, 19 76

Margaret A. Holt

Margaret Holt

MARGARET HOLT
Notary Public, Ramsey County, Minn.
My Commission Expires Sept. 22, 1977.

PLEASE NOTE:

If you intend to supplement this list with other lists when mailing a hearing notice, please compare lists and eliminate duplicate notices.

Thank you.

ALSO
NOTIFY ALL INTERESTED STATE DEPARTMENTS, BOARDS AND COMMISSIONS
AND
PLEASE SORT OUT INTEROFFICE MAIL FROM LABELS

Allin, Kent, Welfare Advocacy Unit, 370 Selby Ave., St. Paul 55102
Blade, Joe -Mpls Star, 425 Portland Ave., Mpls.

Community Mental Health Board of the Northern Pines Mental Health Center, 103-105 1st St. S.E., Little Falls 56345
Curtis, Dr. E.Louis, Prof.Education, U of M., Morris 56267

Deephaven Montessori School, Inc. 188 So. Circle A Drive, Wayzata 55391

Goldberg, Paula, 5315 James Ave. S., Mpls. 55419

Kurtz, Mrs. Kirsten, Mn. Nurses' Assn., 1821 Univ. Ave.,St. Paul, 55104

Legal Aid Society, 501 Park Ave., Mpls. 55415

Local #34, AFSC & ME, Box 2016, Commerce Sta., Mpls.55415

Lutheran Soc.Service,Attn.H.L.Paulsen, 2414 Park Ave S.,Mpls. 55404

Minneapolis & Hennepin County Mental Health Clinic,619 S. 5th St.,MPls., 55415
Minn.Ass'n for Ed. Young Children,373 So.Griggs-MidwayBldg,1821 Univ.St.Paul55104
Minnesota Legislative Comm. of Blind, 1605 Eustis, St. Paul 55108

Minn. State Pharmaceutical Ass'n., 2388 Univ. Ave. St.Paul 55104

Moratzka, Timothy, 1304 Vermillion St., Hastings 55033

Neff, Dr. Walter S., Virginia 55792

Northland Mental Health Center, 415 S. Pokegema, Grand Rapids 55744

Public Relief, BD. of Public Welfare, Attn.Dir.Jensen, 250 S. 4th St.,Mpls.5541

Sister Letitia M. Close, B.V.M., 415 Summit Ave., St.Paul 55102

Southwestern Mental Health Center, 306 N. McKenzie St., Luverne 56156
Upper Mississippi Mental Health Center, Attn: Dr. Howard C.Reid,510Beltrami Av
Bemidji

Veterans' Affairs, Veterans Service Bldg., St. Paul 55155

Welfare Rights Organization,% Stephen Parsons, 1118 Newton Av.No.Mpls.55411

West Central Mental Health Center, 323 W. 6th St., Willmar 56201

ALBERT,AA CALDER CORP
366 JACKSON ST
ST PAUL MN
55101

AM CAMPING ASSN MRS LEACOCK
3639-2 1/2ST N E
MPLS MN
55418

AM INST PROF GEOLOGISTS
2201 PRINCETON AVE
ST PAUL MN
55105

ANDERSON HERBERT
418 8TH ST. SO.
VIRGINIA MN
55792

ANDERSON HAROLD
BOX 3047
MANKATO MN
56001

ANTHONY DICK WDSM RADIO
230 E SUPR ST
DULUTH MN
55102

ARNOLD ROBERT MESPA
41 SHERBURNE
ST PAUL MN
55103

ASMUSSEN,DENNIS,MPIRG
3036 UNIV AVE SE
MPLS MN
55414

ASSOCIATED GEN CONTROF MN
48 E 8TH STREET
ST PAUL MN
55101

ALLENDORF MARSHALL
220 GRAIN EX 400 S 4TH
MPLS MN
55415

ALTMAN MILTON H
707 DEGREE OF HONOR BLD
ST PAUL MN
55101

ANCHOR BLOCK COMPANY
PO BOX 3360
ST PAUL MN
55165

ANDERSON GRAHAM
951 E HENN
MPLS MN
55414

ANDERSON JAMES
7703 NORMANDALE RD
MPLS MN
55435

ANDERSON STANFORD P
14600 MINNETONKA BLVD
MINNETONKA MN
55343

ARROWHEAD REGIONAL DEV COMM
900 ALWORTH BLDG
DULUTH MN
55802

ARVER JOHN A
2467 COHANCY
ST PAUL MN
55113

ASSOCIATED INDUST OF MPLS
NATIONAL BLDG
MPLS MN

ASSN OF MINN COUNTIES
55 SHERBURNE AVE #203
ST PAUL MN

CLAUSEN PHILLIP
2307 STANDISH ST
ST PAUL MN
55108

CLAWSON CONNIE
HELP CENTER 317-17TH AV
MPLS MN

COMMUNITY DESIGN CENTER
118 E 26TH ST
MPLS MN
55404

CONCORDIA COLLEGE
DEAN
MOORHEAD MN
56560

CRAVEN NORMAN
10637 THOMAS AVE S
BLOOMINGTON MN
55431

CROW WING CO PLANNING & A
COURT HOUSE
BRAINERD MN
56401

DAILEY THOMAS ECONOMICS LAB
370 WABASHA ST
ST PAUL MN
55102

DANKERS, KENNETH
1200 WEST FOURTH STREET
RED WING MN
55066

DEVELOP DISABILITIES PROGRAM
STATE PLAN 101 CAP SQ
ST PAUL MN
55155

DICKINSON MRS JOANNE
BOX 1065
MARSHALL MN
56258

DORSEY MARQUART
2400 1ST NATL BANK BLDG
MPLS MN
55402

DOUGLASS BELL
525 OSBORN BLDG
ST PAUL MN
55102

DUDLEY E H
RT 7 BOX 122
EXCELSIOR MN
55331

DUNN OLIVER PLUMBERS LOC
708 SO 10TH ST
MPLS MN
55404

EBELING EDWARD H.
161 W. MAIN
PERHAM MN
56573

ELDER DR JAMES B
11140 WASHBURN AVE SO
BLOOMINGTON MN
55431

EMERICK RICHARD A
1908 IDS CENTER
MPLS MN
55402

ENNIS A F BOISE CASCADE
PO BOX 713
INTL FALLS MN
56649

ERNEST K LEHMANN & ASSOC.
1409 WILLOW ST.
MPLS MN
55403

ESSE KENNETH
4801 W 50TH ST
EDINA MN
55424

EVERETT JERRY NW PETRO ASSN
512 NICOLLET MALL RM917
MPLS MN
55402

EWALD DOUGLAS MINN HOSP A
2333 UNIV AVE SE
MPLS MN
55414

FAEGRE & BENSON ATTN LIBR
1300 NW BANK BLDG
MPLS MN
55402

FARMERS ELEVATOR ASSN
852 GRAIN EXCH BLDG
MPLS MN
55415

BABCOCK LOCHER NELSON ET
118 E MAIN ST
ANOKA MN
55303

BARTHOLOW HAROLD E FIRE CHF
2600 109 AVE N W
COON RAPIDS MN
55433

BECK PAT
953 HYACINTH AVE
ST PAUL MN
55106

BEMIDJI STATE COLLEGE
PLACEMENT BUR.J.C.BRADY
BEMIDJI MN
56601

BENSONI PETER USW OF AM
609 PROVIDENCE BLDG.
DULUTH MN

BEST FLANAGAN ET AL
4040 IDS CENTER
MPLS MN
55402

BEUTEL ROBERT
2200 SILVER LAKE RD
NEW BRIGHTON MN
55112

BREHL JAMES W
332 HAMM BLDG
ST PAUL MN
55102

BRIGGS & MORGAN - B F FRI
2200 W 1ST NATL BK BLDG
ST PAUL MN
55101

BROOKS WILLIAM F JR
854 MIDLAND BK BLDG
MPLS MN
55401

BROWN D M GOODRIDGE PUB S
IND DIST #561
GOODRIDGE MN
56725

BRUNING C.R.DEPT.CLINIC.EXP.
BURTON HALL
MPLS. MN
55455

BUCHHOLTZ CHARLES
5044 BRENT AVE E
INV GRV HTS MN
55075

BUR NATL AFFAIRS INC
1231 25TH ST NW
WASHINGTON DC
20037

BUSCH NOEL
3131 FERNBROOK LANE N
MPLS MN
55441

CAIRNS JOHN A
47TH FLR IDS CENTER
MPLS MN
55402

CAPITOL NEWS SERVICE
BOX 17035
ST PAUL MN
55117

CARRISON DALE K
MANKATO STATE COLLEGE
MANKATO MN
56001

CENTRAL BUSINESS DATA
BENSON RADIO ARCADE BLD
BENSON MN
56215

CHAMBERLAIN JOHN L
PO BOX 241
MPLS MN
55440

CHERCHES CHRIS CITY MGR
5005 MTKA BLVD
ST LOUIS PARK MN
55416

CHRYSALIS CENTER FOR WOMEN
2104 STEVENS AVE S
MPLS MN
55404

CITY CLERK
386 CITY HALL
ST PAUL MN
55102

CITIZENS LEAGUE
530 SYNDICATE BLDG
MPLS MN
55402

CLARKSON J.B.
2350 I.D.S. CENTER
MINNEAPOLIS MN
55402

COLEMAN NICHOLAS D
700 LINWOOD AVE
ST PAUL MN
55105

COLLIN LAURENCE
RT 2
ISANTI MN
55040

CONSUMER SERVICES DEPT COMM
5TH FLR METRO SQ BLDG
ST PAUL MN
55101

COUNTY ATTYS COUNCIL
95 SHERBURNE AVE S203
ST PAUL MN
55103

CUSHMAN J S DAYTON HUDSON
700 NICOLLET MALL
MPLS MN
55402

DANIELSON RODNEY L
418 AUDITORIUM
ST PAUL MN
55102

DAYTON CHAS SIERRA CLUB
800 MIDLAND BANK BLDG
MPLS MN
55401

DIEHL JOHN
26 KENWOOD PKWY
ST PAUL MN
55105

DISPATCH PIONEER PRESS
PRESS RM STATE CAPITOL
ST PAUL MN
55101

DOW CHEMICAL
47 BLDG
MIDLAND MI
48640

DOYTON MAURICE, MET SEWER BD
350 METRO SQ BLDG
ST PAUL MN
55101

DZUGAN KEN ST PAUL PLANNING
421 WABASHA ST
ST PAUL MN
55102

ELDRED R W ARMOUR & CO
UNION STOCK YARDS
SO ST PAUL MN
55075

ELMER EDWIN W
2901 PLEASANT AVE
MPLS MN
55408

ENV SERV-GEN RESOURCE CORP
6340 INDUSTRIAL DR
HOPKINS MN
55343

ERDMAN ROGER TENNANT CO
701 N LILAC DR
MPLS MN
55441

ETHICS COMM
RM 410 STATE OFF BLDG
ST PAUL MN
55155

EVANS CHAS.L. PRENTICE-HALL
ENGELWOOD CLIFFS
NEW JERSEY

EWING MRS WM
42 ASTAR RD
BABBITT MN
55706

SHABATURA EUGENE H
2833 LAKE AVE SO
DULUTH MN
55811

SHARP BOB
4125 HIGHWOOD RD
ST LOUIS PK MN
55416

SITE ENGINEERS INC
900 REDWELL LANE
APPLE VALLEY MN
55124

SLOCUM CHARLES A
1203 IDS TOWER
MPLS MN
55402

SNELL LYN
BOX 314
EDEN VALLEY MN
55329

SNYDER ROBERT W
248 CO B U OF M
ST PAUL MN
55101

STANSFIELD ARLENE LAND OLKS
PO BOX 116
MPLS MN
55440

STATE BD.BARBER EXAMINERS
555 WABASHA
ST PAUL MN
55102

STEELWORKERS CREDIT UNION
BOX 250
BABBITT MN
55706

STOLPESTAD BROWN & SMITH
1550 NW BK BLDG
ST PAUL MN
55101

SUMMIT NATL BANK D L MORRILL
205 AURORA AVE
ST PAUL MN
55103

SUSSEL CO.ATTN:TED SCHWEN
1850 COMO AVE.
ST PAUL MN
55108

SWANSON GERALD H
212 CITY HALL
ROCHESTER MN
55901

SWEITZER R L HONEYWELL IN
2701 4TH AVE S
MPLS MN
55408

THOMPSON CONRAD
1107 23RD ST NW
ROCHESTER MN
55901

THOMPSON HESSIAN ET AL
1500 MIDWEST PLAZA BLDG
MPLS MN
55402

TWIN CITY RETAIL DRUGGIST AS
2388 UNIV AVE
ST PAUL MN
55104

VAN CLEVE JOHN H
2101 HENN AVE
MPLS MN
55405

VAN DRAKE STEPHEN R
BOX 353
PELICAN RAPID MN
56572

VILLAGE OF WOODBURY-F.STRONG
561 TOWER DRIVE
NEWPORT MN
55055

VOLDNESS PERRY
IDS 8TH & MARQUETTE
MPLS MN
55402

WALD JEAN
5746 SANDER DR
MPLS MN
55417

WELK G V NORTHERN STATES
414 NICOLLET MALL
MPLS MN
55401

WELLINGTON R R SKELLY OIL
PO BOX 1650
TULSA OK
75102

WHITLOCK A G
ECON LAB OSBORN BLDG
ST PAUL MN
55102

WILCOX J PATRICK
1220 NORTHERN FED BLDG
ST PAUL MN
55102

WILSON R GARY PPG INDUSTR
1 GATEWAY CENTER
PITTSBURGH PA
15222

WIS FEEDER PIG MARKET CO-
FRANCIS CREEK WI

WYANT CLINTON W ATTY
ATKIN MN
56431

PORTER LYLE O
TRACY MN
56175

PORT AUTH CITY OF ST PAUL
330 MINNESOTA BLDG
ST PAUL MN
55101

POYZER ROBT
BOX 675
FERGUS FALLS MN
56357

PRAUSE JOS.C.
2220 105TH AVE.N.W.
COON RAPIDS MN
55433

RAMSEY CO MEDICAL SOCIETY
1500 LOWRY MEDICAL BLDG
ST PAUL MN
55102

RAUENHORST CORP-C ANDERSON
7900 XERXES S. S-2200
MPLS MN
55431

REID DAVID H
5633 WASHBURN AVE S
MPLS MN
55410

REINO O LAINE 3M COMPANY
3M CENTER
ST PAUL MN
55101

RICHARDSON THOS
7851 METRO PKWY S 103
MPLS MN
55420

RICHARDS MONTGOMERY ET AL
1430 RAND TOWER
MPLS MN
55402

ROBERTS DAVID E
1260 NW NATL BK BLDG
ST PAUL MN
55101

ROSS ALFRED
6356 WARE RD
LINO LAKES MN
55014

SAN SIMEON DEVELOP CORP
OLD 1ST STATE BK BLDG
PAYNESVILLE MN

SANFORD S M
7000 PORTLAND AVE
RICHFIELD MN
55423

ST PAUL ASSN PLBG HTG MECH
614 AM NATL BK
ST PAUL MN

ST PAUL BUR HLTH DR P COX
555 CEDAR ST
ST PAUL MN
55101

SCHLICHT REV ROBT
611 W MAIN ST
BELLE PLAINE MN
56011

SCHMIDT D R MN ASSN REALTORS
6101 WAYZATA BLVD
MPLS MN
55416

SCHNEIDER MAHLON
GREEN GIANT
LESUEUR MN
56058

SCHUTZ LINDA
RM 328 CAPITOL BLDG
ST PAUL MN
55155

SCHWINN ROBT.P.
1400 SCO LINE BLDG.
MPLS. MN
55402

SCHNEIDER & NEESER
706 1ST ST SO PO BX 876
WILLMAR MN
56201

SENATE FINANCE COMMITTEE
113 STATE CAPITOL
ST PAUL MN
55101

SENATE GOV OP COMM
RM 303 STATE CAPITOL
ST PAUL MN
55155

SHA
28
DUL
5581

SHAW ROBERT M
616 MOBIL OIL BLDG
MPLS MN
55402

SHELL OIL CO. W.A. ROQUET
ONE SHELL PLAZA BX 2463
HOUSTON TX
77001

SITE
900
APPL
5512

SMERIKA WN.
BOISE CASCADE PAPERS
INTL FALLS MN
56649

SMITH MICHAEL
1423 NEWTON AVE N
MPLS MN
55411

SNEL
BOX
EDEN
5532

SODERBERG HAROLD J
1500 MIDWEST PLAZA BLDG
MPLS MN
55402

SODERMAN ANTHONY
152 S PLAZA BLDG
MPLS MN
55416

STAN
PO
MPLS
5544

STATE BD VETERINARY EXAMINER
C/O DR A C SPANNAUS DVM
WACONIA MN

STD AM LIFE & ANNUITY CO
3801 W 50TH ST
MPLS MN
55410

STEE
BOX
BABB
5570

STUPKA & MOREM
MIDTOWN BLDG
AUSTIN MN
55912

SULLIVAN J KIRK
PO BOX 200
BOISE ID
83701

SUMM
205
ST P
5510

SWANSON BURT E
W-2162 1ST NATL BK BLDG
ST PAUL MN
55101

SWANSON DALE
P O BOX 339
FOREST LAKE MN
55025

SWAN
212
ROCH
5590

TATE VERN 3M CO
3M CENTER 220/6W
ST PAUL MN
55101

THOM
1107
ROCH
5590

TIMESAVERS INC ATT R S VOLD
5270 HANSON COURT
MPLS MN
55422

TOUCHE ROSS & CO K H STOCKE
780 NORTHSTAR CNTR
MPLS MN
55402

TWIN
2388
ST P
5510

UNION STOCK YARDS
ATTN PRES
SO ST PAUL MN
55075

VAN
2101
MPLS
5540

VAN EVERA MUNDT ET AL
700 TORREY BLDG
DULUTH MN
55802

VERRILL JOHN E
DEPT SECONDARY ED UOF M
DULUTH MN
55812

VILL
561
NEWP
5505

VOSS REV GORDON O
11120 NE 7TH ST
BLAINE MN
55434

VOS LEROY
2137 BURNS AVE
ST PAUL MN
55119

WALTERS THOS H
4510 W 77TH ST STE 235
MPLS MN
55435

WANQUIST ALLEN
RM 252 FEDERAL BLDG
ST PAUL MN
55101

WE
4.1
MP
55

WESTIN CHAS W
220 MEDICAL ARTS BLDG
DULUTH MN
55802

WHITING RALPH
555 WABASHA SUITE 204
ST PAUL MN
55102

WM.MITCHEL COLLEGE LAW LIB.
2100 SUMMIT AVE.
ST.PAUL MN
55105

WILEY ENTERPRISES
101 5TH AVE SE
OSSEO MN
55369

WOLKERSTORTER THEODORE
676 17TH AVE NW
NEW BRIGHTON MN
55112

WOZNIAK D D
401 FIRST FED BLDG
ST PAUL MN
55101

MINN.TURKEY GROWERS ASSN
2383 UNIV AVE
ST PAUL MN
55114

MINN VETERANS MED ASSN
2175 W HWY 36
ROSEVILLE MN
55113

MN ELECTRICAL ASSN
3100 HUMBOLT SO
MPLS MN
55408

MN PUB INT RESEARCH GROUP
3036 UNIV. AVE SE
MPLS MN
55414

MOONEY, MICHAEL A.
BOX 903, ST.JOHN'S UNIV
COLLEGEVILLE MN
56321

MORTON BUILDINGS INC
R #1
FOLEY MN
56329

MUELLER SHIRLEY A
787 W COTTAGE AVE
ST PAUL MN
55117

NATL COUNCIL JEWISH WOMEN
4330 CEDAR LK RD
MPLS MN
55416

NATL FAMILY INS CO
2147 UNIV AVE
ST PAUL MN
55114

NEDELL HAROLD - MEINEKE
6300 W LOOP S SUITE 200
BELLAIRE TX
77401

NEREN MADONNA
376 NEAL AVE S
AFTON MN
55001

NO SUB MONTESSORI-S SADDLER
2487 HELEN COURT
NO ST PAUL MN
55109

NORTH CENTRAL ELEC ASSN
PO BOX 202
BATTLE LAKE MN
56515

NUTTER JULIA
743 W MONTANA
ST PAUL MN
55117

NW BELL TEL CO LEGAL DEPT
224 S 5TH ST RM 2000
MPLS MN
55402

OFFICE OF THE GOVERNOR
130 STATE CAPITOL
ST PAUL MN
55101

OLD COLONY GAS & OIL COMPANY
17TH AVE N AT 2ND ST
MPLS MN
55411

OTTER TAIL POWER CO.
215 S. CASCADE ST.
FERGUS FALLS MN
56537

PAYNE WM B
2400 FIRST NATL BK BLDG
MPLS MN
55402

PETERSON JOHN W
510 NW BK BLDG
ST PAUL MN
55101

PHAR MFGRS ASSN WM D PATTON
1155 15TH ST NW
WASHINGTON DC DC
20005

PHILLIPS LEGISLATIVE SERVICE
459 RICE ST
ST PAUL MN
55103

PORTER DAVID
3212 LONGFELLOW AVE S
MPLS MN
55407

POSS DONALD G
6301 SHINGLE CREEK PKWY
BROOKLYN CTR MN
55430

PROCTOR&GAMBLE L THEOHAROUS
IVORYDALE TECH CENTER
CINCINNATI OH
45217

PULSCHER ROBT SPRINGSTED I
813 OSBORN BLDG
ST PAUL MN
55102

RADMAN RICHARD-LABOR TEMPLE
418 AUDITORIUM
ST PAUL MN
55102

RANALLO CLARENCE
800 CENTRAL AVE N E
MPLS MN
55413

REAGAN MICHAEL
% MINN LEARNING CTR
BRAINERD MN
56401

RED OWL STORES INC
215 E EXCELSIOR AVE
HOPKINS MN
55343

RENNER R.H. ST PAUL AREA CC
300 OSBORN BLDG.
ST PAUL MN
55102

RENQUIST ARTHUR NSP CO
414 NICOLLET MALL
MPLS MN
55401

ROE DAVID
175 AURORA
ST PAUL MN
55103

ROBBIE JOSEPH
904 CARGILL BLDG NO CTR
MPLS MN
55402

RUDY FLOYD
118 AVE C
CLOQUET MN
55720

SATHRE, HARVEY
375 MARION STREET
ST PAUL MN
55103

SAX DOVE & STENSON
310 ENDICOTT BLDG
ST PAUL MN
55101

ST PAUL FOOD RETAILERS ASSN
1220 ARCADE
ST PAUL MN
55106

SCARBOROUGH WILLIAM
DIV.ED. U.M.
MORRIS MN
56267

SCHMIDT H W TCHRS RETIREMENT
302 CAPITOL SQ BLDG
ST PAUL MN
55101

SCHMIDT LARRY WCCO-TV NEW
50 S 9TH ST
MPLS MN
55402

SCHWARTAU NEAL METH HOSP
201 W CENTER ST
ROCHESTER MN
55901

SCHWERMAN EARL JR
1535 8TH AVE SE
ROCHESTER MN
55901

SCHROEDER ALFRED H
2172 CARROLL AVE
ST PAUL MN
55104

SENATE COUN OFF ROOM 24
STATE CAPITOL
ST PAUL MN
55101

MINN WATER RESOURCES BD
RM 206 555 WABASHA ST
ST PAUL MN
55102

MINN-WISC BOUNDARY AREA C
600 2ND ST
HUDSON WI
54016

MOFFITT R C
RM 301 M MPLS CITYHALL
MPLS MN
55415

MOOD R BLOOMINGTON HLTH D
10200 PENN SO
BLOOMINGTON MN
55431

MPIRG
BOX 45 ST MARYS COLLEGE
WINONA MN
55987

MUCK THOS R
160 STATE OFF BLDG
ST PAUL MN
55155

NASS GEO V HENN CO GEN HOSP
5TH AND PORTLAND AVE
MPLS MN
55415

NATL CAR RENTAL ATT D MIT
5501 GREEN VALLEY DR
MPLS MN
55437

NAT'L SOLID WASTES-R. GRASSO
1730 RHODE ISLAND AV.NW
WASHINGTON DC
20036

NCEC INC C/O DR DAHLBERG
CONCORDIA COLLEGE
MOORHEAD MN
56560

NEUMAN RALPH W
RT 2 BOX 125
EMBARRASS MN
55732

NIELSEN STOCK & BLACKBURN
415 730 BLDG
MPLS MN

NW COUNTRY ELEVATOR ASSN
802 GRAIN EXCH BLDG
MPLS MN
55415

NURSING HOME ADMRS BD EXA
RM 340 717 DELAWARE SE
MPLS MN
55414

NYQUIST DEAN A
3707 53RD PL N.
BROOKLYN CTR MN
55429

O'BRIEN J.DENNIS
1100 1ST NATL.BANK BLDG
MINNEAPOLIS MN
55402

OLOFSON ARTHUR MBO & MAINC
927 SOO LINE BLDG
MPLS MN
55402

OSTRUM DONALD E
PO BOX 33163
COON RAPIDS MN.
55433

PATTISON ORVIS
BOX 645
WILLMAR MN
56201

PAYNE COL ALVIN

DEGRAFF MN
56233

PETERSON GARY
854 MIDLAND BK BLDG
MPLS MN
55401

PFEIFER AND SHULTZ, INC
1433 UTICA AVE S
MPLS MN
55416

PINNETTI NICK M HALEY & ASS.
40 CENTRAL PARK S
NEW YORK NY
10019

POPOVICH PETER S
314 MINN BLDG
ST PAUL MN
55101

MILLER TOM
2311 PILLSBURY AVE S
MPLS MN
55404

MPLS TRIBUNE CITY DESK
425 PORTLAND AVE
MPLS MN
55415

MN. ASN.C&IND H.D.PETERSON
480 CEDAR ST.
ST.PAUL MN
55101

MINN ASSN ELEC COOPERATIVES
4901 W 77TH ST
MPLS MN
55435

MINN COMM FOR HANDICAPPED
METRO SQ 492 7TH & ROBT
ST PAUL MN
55101

MINN DENTAL HYGIENISTS
5041 YVONNE TERRACE
MPLS MN
55436

MINN HEREFORD-LJ SCHAFER

BUFFALO LAKE MN
55314

MINN LAND USE COMMITTEE
4344 IDS CENTER
MPLS MN
55402

MINN PETROLEUM COUNCIL
1020 NORTHERN FED BLDG
ST PAUL MN
55102

MINN RETAIL HARDWARE ASSN
3033 EXCELSIOR BLVD 313
MPLS MN
55416

MINN STATE BD PHARMACY
717 DELAWARE ST SE #351
MPLS MN
55414

MINN TEAMSTERS CREDIT UNION
2021 HENN AVE E
MPLS MN
55413

MPLS CHAMBER COMM TRANSP
15 S 5TH ST
MPLS MN
55402

MIDLAND GLASS-HD SPURLING
PO BOX 69
SHAKOPEE MN
55379

MINN AFL-CIO, L O LA SHO
414 AUDITORIUM ST
ST PAUL MN
55102

MINN. ASSN. PET RETAILERS
1115 2ND AVE. SO.
MINNEAPOLIS MN
55403

MINN COMMUNITY DEVELOP SE
512 ROSSMOR BLDG
ST PAUL MN
55101

MINN ENV LAW INST INC
PO BOX 15076 COMM STA
MPLS MN
55415

MINN. HOTEL & MTR. ASSN
2001 UNIVERSITY AVE
ST PAUL MN

MINN LP GAS ASSN
7515 WAYZATA BLVD 106
MPLS MN
55426

MINN POULTRY & HATCHERY A
BOX 158
MADELIA MN
56062

MINN SOCIETY ARCHITECTS A
NW NATL BK BLDG
ST PAUL MN
55101

MINN STATE CAPITOL EMP UN
PO BOX 3215
ST PAUL MN
55165

MINN TBR PRODUCERS ASSN
200 CHRISTIE BLDG
DULUTH MN
55802

MIDLAND GLASS- HD SPURLING
PO BOX 69
SHAKOPEE MN
55379

MILLER RICHARD A
1020 PLYMOUTH BLDG
MPLS MN
55402

MPLS CITY ATTORNEY
325M CITY HALL
MPLS MN
55415

MPLS STAR PRESS ROOM
STATE CAPITOL
ST PAUL MN
55101

MILLER PAUL J PHARMACY SERV
ST MARYS HOSP
ROCHESTER MN
55901

MINN APT ASSN
GRIGGS-MIDWAY BLDG
ST PAUL MN
55104

MINN ASPHALT PAVEMENT ASSN
555 WABASHA RM 209
ST PAUL MN
55102

MINN ASSN COOPERATIVES
55 SHERBURNE AVE
ST PAUL MN
55103

MINN ASSN WATERSHED DIST'S

ADA MN
56510

MINN AUTOMOBILE DEALERS ASSN
GRIGGS MIDWAY BLDG
ST PAUL MN
55104

MINN COUNCIL STATE EMP NO 6
475 RICE ST
ST PAUL MN
55103

MINN DEPT HEALTH J C MCKASY
717 DELAWARE S E
MPLS MN
55440

MINN FARMERS UNION PRES OFF
1275 UNIV AVE
ST PAUL MN
55104

MINN FOOD RETAILERS ASSN
555 WABASHA
ST PAUL MN
55101

MINN HOUSING INST N T CARTER
7801 METRO PKWY
MPLS MN
55420

MINN HWYS MANAGEMENT SERVICE
407 HWY BLDG
ST PAUL MN
55101

MINNE MINE CREDIT UNION
3000 HUDSON PK S 100
ST PAUL MN
55119

MINN.MTR.TRANSP. .J.N.DENN
1821 UNIV.
ST.PAUL MN
55104

MN REP STATE CENTRAL COMM
555 WABASHA AVE
ST PAUL MN
55102

MINN RESTAURANT ASSN
2001 UNIVERSITY AVE.
ST PAUL MN 55
104

MINN SOC CERTIFIED PUB ACCTS
1102 WESLEY TEMPLE BLDG
MPLS MN
55403

MINN STATE BAR ASSN
100 MINN FED BLDG
MPLS MN
55402

MINN STATE MED ASSN
375 JACKSON ST
ST PAUL MN
55101

MINN STATE RETIREMENT SYSTEM
529 JACKSON ST
ST PAUL MN
55101

KIMBALL ROBERT
647 CAPITOL SQ BLDG
ST PAUL MN
55101

KJRVIK DIANE
4302 POWELL HALL U OF M
MPLS MN

KNAPP J A
RM 3 CAPITOL
ST PAUL MN
5515

KNOPP TIMOTHY
COLLEGE FORESTRY U OF M
ST PAUL MN
55108

KNVDSCN ROBT
4375 BROWNDALE AVE
MPLS. MN
55424

KOLLER MR & MRS ERWIN A
1568 DULUTH ST
ST PAUL MN
55108

KRONLOKKEN J E
10048 NORD RD
BLOOMINGTON MN
55437

KROON H CLIFTON
210 E WALNUT
MANKATO MN
56001

LANAHAN E F - SIBLEY CO
184 E 6TH ST
ST PAUL MN
55101

LANGVIN DAVID
7500 80TH ST S
COTTAGE GROVE MN
55016

LARSON C L
3800 MINNEHAHA AVE SO
MPLS MN
55406

LARSON HANS P DIV HOSP SERV
717 DELAWARE ST SE
MPLS MN
55440

LIBBEY LEONARD
BOX 17011 NOKOMIS STA
MPLS MN
55417

LINDALL & JONATHAN DEVELOP.
VILLAGE ONE CENTER
CHASKA MN
55318

LOWE DOUG
2701 N LEXINGTON AVE
ROSEVILLE MN
55113

LYNCH DONALD SIBLEY CO
184 E 6TH ST
ST PAUL MN
55102

MCFADDEN G H DISPATCH-PRESS
55 E 4TH ST
ST PAUL MN
55101

MCKIBBON MRS SHIRLEY
11 EVERGREEN LN
BABBITT MN
55706

MALONE E I COMM LABOR & INDU
444 LAFAYETTE RD 5TH FL
ST PAUL MN
55101

MANKATO STAT STUDENT SENATE
CENTENNIAL STUDENT UN
MANKATO MN
56001

MASTOR & MATTSON LTD
315 PEAVEY BLDG
MPLS MN
55402

MAUL WARREN E
320 S 4TH ST
MPLS MN
55415

MEIEROTTO, JOAN
1794 SO LEXINGTON
ST PAUL MN
55118

MERRITT GRANT POLLUTION CONT
1935 W CO RD 32
ROSEVILLE MN
55113

KLOSTER MARION PEAVEY CO
730 2ND AVE S
MPLS MN
55402

KLUZ STEVEN J
1910 1ST NATL BK BLDG
MPLS MN
55402

KNUTSON DR KEITH, BIOLOGY DPT
ST CLOUD STATE
ST CLOUD MN
56301

KNUTSON R N GRANNIS ETAL
F J SCHULT BLDG
ST ST PAUL MN
55075

KOPP MRS VERNON
2050 65TH ST E
INVER GR HGHT MN
55075

KRAMER ERNEST W
717 DELAWARE ST SE
MPLS MN
55440

LAKE SUPERIOR INDUSTRIAL
828 FIRST AM. BK. BLDG.
DULUTH MN
55802

LANSING & OAKES
400 SIBLEY ST
ST PAUL MN
55101

LAPP LAZAR LAURIE ET AL
1200 BUILDERS EXCHANGE
MINNEAPOLIS MN
55402

LEAGUE MN MUNIC
300 HANOVER 480 CEDAR
ST PAUL MN
55101

LEAGUE WOMEN VOTERS OF MI
555 WABASHA
ST PAUL MN
55102

LOCKNER GARY
R R 1 BOX 23
BAUDETTE MN
56623

LOOS CALVIN J
6809 LYNDALE AVE SO
MPLS MN
55423

MCDONALD PHILIP M
2077 SELBY AVE
ST PAUL MN
55104

MCLELLAN LARKIN
215 ADM BLDG ST CAPITOL
ST PAUL MN
55101

MANKATO STATE STUDENT ASSN
BOX 58 MANKATO COLLEGE
MANKATO MN
56001

MANTHEY T J PICKANDS MATH
1100 SUPERIOR AVE
CLEVELAND OH
44114

MAYO FOUNDATION G ORWOLL
200 FIRST AVE NW
ROCHESTER MN
55901

MECCA
867 GRAND AVE
ST PAUL MN
55105

MET TFR MEN ASSN A ROSENTHAL
1821 UNIV AVE
ST PAUL MN
55104

METROPOLITAN COUNCIL LIBR
300 METRO SQUARE
ST PAUL MN
55155

FARRELL FRANK BUR NOR
RM 1180 176 E 5TH ST
ST PAUL MN
55101

FELHABER P S
W 1ST NATL BANK BLDG
ST PAUL MN
55101

FLADLAND CLINTON MN L&P BUR
796 RAYMOND AVE
ST PAUL MN
55114

FLEMING FREDERICK A
1860 HIGHLAND PARKWAY
ST PAUL MN
55116

FORBES GORDON MINN RRS ASSN
203 HANOVER 480 CEDAR
ST PAUL MN
55101

FORSBERG AGR SERV
518 SUMMIT AVE
NEW ULM MN
56073

FREDIN CONRAD M
811 FIRST NATL BK BLDG
DULUTH MN
55802

FREDRIKSON BYRON ET AL
47TH FLR IDS CENTER M
PLS MN
55402

GALVIN M J JR
W2162 1ST NATL BK BLDG
ST PAUL MN
55101

GEO A HORMEL & CO LAW DEPT
PO BOX 800
AUSTIN MN
55912

GEORGE K GRANSE CO
1477 SELBY AVE
ST PAUL MN
55104

GLEN. HILLS HOSP.R.VAN HAUER
3901 GOLDEN VALLEY RD.
MPLS. MN
55422

GODIN RALPH J
3824 47TH AVE SO
MPLS MN
55406

GREATER MET AREA HOSPITALITY
5152 CEDAR AVE S
MPLS MN
55417

GREEN DEL CITY MGR
BLOOMINGTON CITY HALL
BLOOMINGTON MN
55431

GRUMMERT REV DONALD
1435 ADAMS ST
MPLS MN
55413

GUSTAFSON DAN-LABOR TEMPLE
312 CENTRAL
MPLS MN
55414

H B FULLER CO
2400 KASOTA AVE
ST PAUL MN
55108

HANFT PHILIP M
1200 ALWORTH BLDG
DULUTH MN
55802

HARVEY MICHAEL
1390 W M HAHA PKWY
MPLS MN
55409

HALLBERG LEE & MCCABE
4927 34TH AVE S
MPLS MN
55417

HEALTH MANPOWER C LARSON
717 DELAWARE ST SE
MPLS MN
55440

HENTHORN GARY WOODSTOCK
7365 LANDAU DR
BLOOMINGTON MN
55438

HEAD & TRUHN
1007 SCO LINE BLDG
MPLS MN
55402

HEIM PAUL
1320 SOO LINE BLDG
MPLS MN
55402

HICHINGER-MARK PLANNING
421 WABASHA ST
ST PAUL MN
55102

HILL JIM ASSOC.MILK PROD.
7850 METRO PARKWAY
MINNEAPOLIS. MN
55420

HOLEY GEO AERONAUTICS
DOWNTOWN AIRPORT
ST PAUL MN
55107

HOLMES EUSTIS ET AL
4610 IDS CENTER
MPLS MN
55402

HOULE MELVIN
881 W HWY 96
SHOREVIEW MN
55112

HOUSE APPROPRIATIONS COMM
RM 109 STATE CAPITOL
ST PAUL MN
55101

HULSTRAND ANDERSON & LARSON
PO BOX 130
WILLMAR MN
56201

HULTMAN WARREN R
C/O BARBAROSSA R3
OSSEO MN
55369

HUNT JAMES P JR
11470 GALTIER DR
BURNSVILLE MN
55378

HUTCHISON R.M. ANOKA CO.COMP
COURT HOUSE
ANOKA MN
55303

ILLINGWORTH ROBT C
6750 FRANCE AVE S
MPLS MN
55435

INGEBRIGTSEN DR K H
23 SE 4TH ST
MPLS MN
55414

INTERSTATE POWER RW STEELE
1000 MAIN ST
DUBUQUE IA
52001

IUOE LOC 49 CHAS SWENSON
2580 UNIV AVE
ST PAUL MN
55101

JACKMAN DONALD G
4023 E LAKE ST
MPLS MN
55406

JENSEN CARL A
127 E MAIN ST
SLEEPY EYE MN
56085

JOHNSON & SANDERSON
ST MARYS HOSPITAL
ROCHESTER MN
55901

JOHNSON M.D. FRUNDT & FRUNDT

BLUE EARTH MN
56013

JOHNSON LANCE J
265 S LAFAYETTE RD
ST PAUL MN
55107

KAVANEY RICHARD
1220 NORTHERN FED BLDG
ST PAUL MN
55102

KEABLE MIKE
909 6TH AVE N
ST CLOUD MN
56301

FINLEY JAMES F
920 MINN BLDG
ST PAUL MN
55101

FINNEGAN J.R.
55 E. 4TH
ST.PAUL MN
55101

FITZGERALD DR BOB
3007 LYNDALE AVE SO
MPLS MN
55408

FLADLAND CLINT MN L&P BUR
795 RAYMOND AVE
ST PAUL MN
55114

FOX W.E. LINDQUIST & VENNUM
4200 IDSCTR 80 S.8TH ST
MINNEAPOLIS MN
55402

FRANKLIN ROBERT B MPLS TR
426 PORTLAND
MPLS MN
55415

FURLONG DR JOHN
RT 1
BOVEY MN
55709

F W WOOLWORTH CO
3316 W 66TH ST
EDINA MN
55424

GARDNER HDW - R A JOHNSON
515 WASHINGTON AVE N
MPLS MN
55401

GEBERT K L
220 GRAIN EXCH
MPLS MN
55415

GIEL DAVID
RM B-28 STATE CAPITOL
ST PAUL MN
55155

GLEESON MICHAEL
909 SOC SC BLDG U OF M
MPLS MN
55455

GRAHAM THOS H
854 MIDLAND BK BLDG
MPLS MN
55401

GRANATH MARVIN -HONEYWELL
2701 4TH AVE SO
MPLS MN
55408

GREEN GARY J
41 SHERBURNE AVE
ST PAUL MN
55102

GREEN JANET
9773 N SHORE DR
DULUTH MN
55804

GUSTAFSON WALLACE
BOX 567
WILLMAR MN
56201

HANSON ETHEL
2813 85TH AVE N
MPLS MN
55444

HAROLD J WESTIN CONSTRUCT
45 E 8TH ST
ST PAUL MN
55101

HAUN DR J W GEN MILLS
PO BOX 1113
MPLS MN
55440

HAYES, THOMAS W
700 SELLWOOD BLG
DULUTH MN
55812

HART PATRICK V
112 E LIBERTY BOX 3271
MANKATO MN
56001

HARTFELDT WILL
434 HAMM BLDG
ST PAUL MN
55102

HEINTZ MARY ELLEN
PO BOX 599
CINCINNATI OH
45201

HEISENFELT WM
BOX 516
BEMIDJI MN
56601

HINRICHSEN PATRICK
MANKATO FREE PRESS
MANKATO MN
56001

HOLDAHL SCOTT
380 N BLDG GRAIN EXCH
MPLS MN
55415

HOPKINS WM.B. DIR.MISCCA
3915 GOLDEN VALLEY ROAD
GOLDEN VALLEY MN
55422

HORNER WALDORF - KAZIUKEW
PO BOX 3260
ST PAUL MN
55165

HOUSE ED STANDING SUB COMM
RM 109 STATE CAPITOL
ST PAUL MN
55101

HOUSE RESEARCH
RM 17 STATE CAPITOL
ST PAUL MN
55155

HUMAN RIGHTS
200 CAPITOL SQ BLDG
ST PAUL MN
55101

HUMAN SERVICES
414 LAFFAYETTE RD 5THFL
ST PAUL MN
55101

HYLAND DEAN
1501 W 50TH ST
MPLS MN
55419

INGVALSON VERN MN.FARM BUR.
3110 WOODDALE DR PO 337
OST PAUL MN
55165

INS FED.OF MINN
902 SOO LINE BLDG
MPLS MN
55402

IVERSON DR JOS DEPT ED
ST OLAF COLLEGE
NORTHFIELD MN
55057

IZAAK WALTON MN DIV
111 E FRANKLIN RM-210
MPLS MN
55404

JAIN NIRMAL ENIV PROCESS
1220 GLENWOOD AVE
MPLS MN
55405

JENOS INC
525 LAKE AVE SO
DULUTH MN
55801

JOHNSON CLARENCE IBEW LU 292
3615 37TH AVE S
MPLS MN
55406

JOHNSON LEROY
9939 BLUEBIRD ST NW
COON RAPIDS MN
55433

KABLE RICHARD W

BETHEL MN
55006

KEENAN RICHARD J
4444 IDS BLDG
MPLS MN
55402

KEILY DANILE
3549 V2 PLEASANT AVE
MPLS MN
55408

ASSN RESIDENCES FOR RETARDED
459 RICE SUITE 301
ST PAUL MN
55103

AUTOMOBILE MFRS ASSN INC
55 SHERBURNE AVE
ST PAUL MN
55103

BADALICH JOHN P
2025 THOMPSON AVE
SO ST PAUL MN
55075

BARRETT FRED
ST LOUIS CO COURT HOUSE
DULUTH MN

BECKLIN ROBERT C
447 N W 4TH
CAMBRIDGE MN
55008

BEECHER EVERETT
10 10 1ST ST SO
HOPKINS MN

BERGERUD ALF
300 ROANOKE BLDG
MPLS MN
55402

BERGSETH THOMAS
1011 NICOLLET MALL
MPLS MN
55403

BLOMQUIST BARRY L

NORTH BRANCH MN
55056

BLOOMINGTON CITY CLERK
2215 W OLD SHAKOPEE RD
BLOOMINGTON MN
55431

BRIGHAM E M III
RR4
RED WING MN
55066

BROEKER JOHN
2850METRO DR. SUITE 504
BLOOMINGTON MN
55420

BROWN H D
4961 KINGSBERRY LANE
MINNETONKA MN
55343

BRUBACHER RICHARD COMM ADM
208 ADM BLDG
ST PAUL MN
55101

BURGER ALBERT
600 DEGREE OF HONOR BLD
ST PAUL MN
55101

BUR.ENGR.IND.DIV. MR.KIBIGER
219 N. 2ND ST.
MPLS. MN

CAIN RUTH
730 E 38TH ST
MPLS MN
55407

CARLSON CARL L
7516 80TH ST S
COTTAGE GROVE MN
55016

CARLSON VERNE E
BOX 755 CITY HALL
WILLMAR MN
56201

CENTRAL MN REGIONAL DEV COMM
1139 FRANKLIN AVE
SAUK RAPIDS MN
56379

CHAMBER OF COMMERCE
30 SO 1ST AVE EAST
ELY MN
55731

CHRISTIAN SCI COMM ON PUB
1821 UNIV AVE SUITE 271
ST PAUL MN
55104

CHRISTIANSEN FREDRIK
RM 505 CAPITOL SQ BLDG
ST PAUL MN
55155

STATE OF MINNESOTA

COUNTY OF RAMSEY

BEFORE VERA J. LIKINS

COMMISSIONER

In the matter of the Proposed Adoption of Amendments to Rule 52 of the Minnesota Department of Public Welfare Governing the Determination of Welfare Per-Diem Rates for ICF/MR Providers.

FINDING OF FACTS

The above-entitled matter came on for hearing before a hearing officer duly appointed by the Minnesota Commissioner of Public Welfare on the 12th day of December, 1975 at 9:00 a.m., in the State Office Auditorium (Room 83), Wabasha Street (between Aurora and Fuller), St. Paul, Minnesota, after proper notice required by Minn. Stat. 15.0412 (1974) was served upon all persons, associations and other interest groups registered with the Secretary of State for that purpose.

After affording interested persons an opportunity to present written and oral data, statements, and arguments, having heard all of the testimony, having considered all of the evidence addressed and upon the records, files and proceedings herein, the Department finds the following:

1. Minn. Stat. Sec.256B.04 (1974) authorizes the Commissioner of Public Welfare to promulgate official rules and regulations governing the Medical Assistance program, which includes welfare reimbursement to facilities providing services for welfare-eligible recipients at a care level classified as Intermediate Care for the Mentally Retarded (ICF/MR).

2. There is need to amend Minnesota DPW Rule 52 to include additional provisions for known cost changes. The additional provisions relate to rental payments pursuant to a written lease and an unidentified cost increase equal to one percent of the average historical cost per day based on cost reports submitted by metropolitan facilities. These provisions are needed to enhance allowable reimbursement to the facilities.

   No oral testimony at the hearing rejected these additional cost provisions. Written testimony was received suggesting that the one percent provision apply to historical costs as reported by individual providers. The Department finds that the original provision is preferrable because of administrative ease in applying the allowance and the lack of objection at the hearing by providers.

3. There is also need to amend Minnesota DPW Rule 52 to recognize adjustment of projected costs to actual costs based on year-end settlement. The Department must identify a minimum occupancy

percentage and historical cost experience to be utilized in the settlement in order to properly govern the distribution of taxpayer dollars. Oral and written testimony argued that the set occupancy percentage of 80% should apply only to facilities of 10 beds or more. The Department finds that the set occupancy percentage of 80% should apply only to facilities of 10 beds or more.

4. There is also need to amend Minnesota DPW Rule 52 to restate the flat rate allowed providers of 16 beds or less. The Department finds, based on oral discussion with providers and their representative organization, that a flat rate of $9.00 per day for calendar year 1976 is appropriate.

5. There is also need to amend Minnesota DPW Rule 52 to delete the incidental welfare rate payable to providers of less than 20% welfare occupancy. Since no providers have less than 20% welfare occupancy, the Department finds that this provision is unnecessary.

6. There is also need to amend Minnesota DPW Rule 52 to identify a private pay rate for use of respite beds. Since another section of this rule limits welfare payment to no more than payment made by private-paying residents, the Department finds that identification of payments for respite bed care should be required.

7. There is also need to amend Minnesota DPW Rule 52 to increase the overall welfare rate limitation from 110% to 115% of the previous welfare rate. In addition to increasing this percentage provision, the Department amended the rule to limit the welfare rate only when the requested rate exceeded metropolitan and rural rate levels.

   There was oral and written testimony requesting that a statewide rate exemption be implemented instead of the metropolitan and rural rates. Such testimony argued that costs were relatively the same across the state. Written testimony was received which requested that St. Louis County be included in the metropolitan designation.

   The Department finds that the distinction between geographical locations should be retained since rate schedules were prepared by this agency prior to the proposed amendments which are based on existing geographical distinctions. The Department further finds that it would be very difficult to separate St. Louis County from the remainder of that economic planning region, and that therefore St. Louis County should not be included in the metropolitan designation.

8. There is also need to amend Minnesota DPW Rule 52 to delete the provision establishing an Appeals Committee to consider appeals, and to add a provision that appeals shall be heard by the Office of Hearing Examiners pursuant to Minn. Laws 1975, Chapter 380.

9. There is also need to amend Minnesota DPW Rule 52 to delete the section providing for confidentiality of submitted reports. Under the Data Security and Privacy Act, Minn. Laws 1975, Chapter 401, all cost reports submitted to DPW are public records and may be inspected through public review.

10. There is also need to amend Minnesota DPW Rule 52 to clarify the provision for amending previously submitted cost reports. The Department finds that the additional provisions will enhance reimbursement for services rendered.

11. There is also need to amend Minnesota DPW Rule 52 to clarify the provision for reduction of costs based on receipt of gifts or grants. The Department finds that this provision is required to govern abuses of payment for duplication of funding.

12. There is also need to amend Minnesota DPW 52 to include a compensation limitation for top management personnel. Prior to proposing such amendment, the Department evaluated submitted cost reports to determine reasonable top management compensation. The Department finds that such a provision is required to strengthen the concept of reasonable compensation for services rendered.

    There was oral and written testimony requesting deletion of the amendment to the rule. There was a suggestion that the provision be used as a department guideline as opposed to a section of the rule.

    The Department finds that the limitation must be more than a guideline in order to be enforceable.

13. There is also need to amend Minnesota DPW Rule 52 to redefine the contents of pre-opening costs. The Department finds that such an amendment could cause more facility costs to be allowable in the reporting year thereby enhancing the welfare reimbursement.

14. There is also need to amend Minnesota DPW Rule 52 to revise the construction investment per bed limitation. The Department finds that by increasing such limitation, newly-constructed or newly-established facilities could recover their capital costs through the welfare rate payments and thus the

limitation should be increased from $11,000 per bed to $14,820 per bed and adjusted annually thereafter according to a construction index as determined by the Commissioner of Public Welfare.

15. There is also need to amend Minnesota DPW Rule 52 to allow a cost-of-capital allowance for all providers. Based on discussion with providers and their representative organization, the Department finds that providers must accumulate capital to replace major equipment or to remodel existing structures. No oral or written testimony disputed the method of providing such cost of capital allowance. However, there was oral testimony suggesting that the earnings allowance provision not be deleted from the rule. The Department did delete the leased facilities' earnings allowance since such allowance was provided in the amended provision of the rule. No other evidence was contrary to the Department's position on deleting the existing provision.

16. There is also need to amend Minnesota DPW Rule 52 to recognize the implementation procedures and effective date for the other amendments to the rule.

17. Testimony was received stating that notification of welfare rate determination should be transmitted upon receipt of the facility cost report by the Department. The Department finds that the issuance of a temporary rate would assist in alleviating immediate cash flow problems. Therefore, under section II.B.2. the Department has established a temporary rate mechanism.

STATE OF MINNESOTA
DEPARTMENT OF PUBLIC WELFARE

Vera J. Likins

VERA J. LIKINS
COMMISSIONER OF THE MINNESOTA
DEPARTMENT OF PUBLIC WELFARE

STATE OF MINNESOTA

COUNTY OF RAMSEY

BEFORE VERA J. LIKINS

COMMISSIONER OF PUBLIC WELFARE

In the matter of Proposed Adoption of Amendments to Rule 52 of the Minnesota Department of Public Welfare regulating the determination of welfare per-diem rates for ICF/MR providers

ORDER ADOPTING RULE

The above-entitled matter came on for hearing before a hearing officer duly appointed by the Commissioner of Public Welfare on the 12th day of December, 1975, at 9:00 A.M. in the State Office Auditorium (Room 83), Wabasha Street (between Aurora and Fuller), St. Paul, Minnesota, after proper notice required by Minn. Stat. S. 15.0412 (1974), as amended, was served upon all persons, associations and other interested groups registered with the Secretary of State for that purpose.

After affording interested persons an opportunity to present written and oral data, statements and arguments, having heard all of the testimony, having considered all of the evidence adduced and upon the records, files and proceedings herein, and applicable statutory standards or criteria, and having confirmed the need for the above captioned rule.

NOW, THEREFORE, IT IS ORDERED that this rule identified as DPW Rule 52 is adopted this 8th day of March, pursuant to authority vested in me by Minn. Stat. S. 246.69(a)(1974).

STATE OF MINNESOTA
DEPARTMENT OF PUBLIC WELFARE

Vera J. Likins

VERA J. LIKINS
COMMISSIONER OF THE MINNESOTA
DEPARTMENT OF PUBLIC WELFARE